

SENATE.

MONDAY, August 21, 1911.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.
The Journal of the proceedings of Saturday last was read and approved.

ELECTIONS OF PRESIDENT PRO TEMPORE.

Mr. LODGE. Mr. President, at the beginning of the session, when the Senate was balloting for President pro tempore and I happened to be the occupant of the chair, I asked the Chief Clerk, Henry H. Gilfry, if he would collect and prepare for the use of the Senate the precedents in regard to previous elections of President pro tempore and all matters connected therewith. An examination of the list reveals the fact that the subject had been many times under discussion in the Senate, involving the powers of the Vice President to appoint. The work of collecting the precedents proved more extensive than had been expected. It has now been completed and makes a very valuable document, in my opinion. I ask that it may be printed as a document for the use of the Senate, and that the report of Hon. O. P. Morton, then a Senator from Indiana, relating to the tenure of office of the President pro tempore, and so forth, be printed at the end of the compilation. (S. Doc. No. 104.)

The VICE PRESIDENT. Without objection, the order requested is entered.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following joint resolutions:

S. J. Res. 34. Joint resolution providing for additional lands for Colorado under the provisions of the Carey Act; and

S. J. Res. 57. Joint resolution to admit the Territories of New Mexico and Arizona as States into the Union upon an equal footing with the original States.

The message also announced that the House had passed the following bill and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 13367. An act to amend the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1909, and for other purposes," approved May 27, 1908;

H. J. Res. 99. Joint resolution authorizing the President to invite the Republic of Mexico and the Republics of Central and South America to participate in the Panama-California Exposition in 1915, at San Diego, Cal.; and

H. J. Res. 158. Joint resolution to pay the officers and employees of the Senate and House of Representatives their respective salaries for the month of August, 1911, on the day of adjournment of the present session.

The message further announced that the House had passed a concurrent resolution providing for the printing of 1,000 additional copies of the hearings of the special committee of the House of Representatives relative to an investigation of the American Sugar Refining Co. and others, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a concurrent resolution providing for the printing of 1,000 copies of hearings before the Committee on Expenditures in the Post Office Department relative to an investigation of conditions existing in that department, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 854) to require the National Monetary Commission to make final report on or before January 8, 1912, and to repeal sections 17, 18, and 19 of the act entitled "An act to amend the national banking laws," approved May 30, 1908, the repeal to take effect January 8, 1912, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

H. R. 7263. An act to authorize the counties of Bradley and McMinn, Tenn., by authority of their county courts, to construct a bridge across the Hiwassee River, at Charleston and Calhoun, in said county;

H. R. 7690. An act to authorize the construction of a bridge across the Snake River, at the town of Nyssa, Oreg.;

H. R. 11545. An act to authorize and direct the Commissioners of the District of Columbia to place the name of Annie M. Matthews on the pension roll of the police and firemen's pension fund;

S. 854. An act to require the National Monetary Commission to make final report on or before January 8, 1912, and to re-

peal sections 17, 18, and 19 of the act entitled "An act to amend the national banking laws," approved May 13, 1908, the repeal to take effect March 31, 1912;

S. J. Res. 34. Joint resolution providing for additional lands for Colorado under the provisions of the Carey Act; and

S. J. Res. 57. Joint resolution to admit the Territories of New Mexico and Arizona as States into the Union upon an equal footing with the original States.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented the petition of Edmund J. James, president of the University of Illinois, Urbana, Ill., praying that provision be made for continuing the work of the scientific investigation by the National Monetary Commission, which was ordered to lie on the table.

Mr. CULLOM presented a petition of sundry citizens of the District of Columbia, and a petition of sundry citizens of Massachusetts, praying for the ratification of the proposed treaties of arbitration between the United States, Great Britain, and France, which were ordered to lie on the table.

Mr. PENROSE presented a petition of sundry citizens of Media, Pa., praying for the ratification of the proposed treaties of arbitration between the United States, Great Britain, and France, which was ordered to lie on the table.

Mr. BURTON presented a petition of sundry citizens of Winona, Ohio, praying for the ratification of the treaty of arbitration between the United States and Great Britain, which was ordered to lie on the table.

Mr. BRANDEGEE presented a petition of the Business Men's Association of New Haven, Conn., praying for the ratification of the treaty of arbitration between the United States and Great Britain, which was ordered to lie on the table.

Mr. OLIVER presented a petition of sundry citizens of Media, Pa., praying for the ratification of the proposed treaties of arbitration between the United States, Great Britain, and France, which was ordered to lie on the table.

STATUE OF BARON VON STEUBEN.

Mr. SMOOT, from the Committee on Printing, to which was referred concurrent resolution of the House of Representatives No. 3, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed and bound in the form of eulogies, with accompanying illustrations, 17,000 copies of the proceedings upon the unveiling of the statue of Baron von Steuben in Washington, December 7, 1910, of which 5,000 shall be for the use of the Senate, 10,000 for the use of the House of Representatives, 2,000 to be delivered to the National German-American Alliance for such distribution as said alliance may desire to make, and the remaining 100 copies shall be bound in full morocco and distributed through the Department of State to the descendants of Baron von Steuben and the speakers who took part in said celebration.

IRON AND STEEL INDUSTRY.

Mr. SMOOT, from the Committee on Printing, reported the following resolution (S. Res. 145, S. Doc. 110), which was considered by unanimous consent and agreed to:

Resolved, That the report of the Secretary of Commerce and Labor concerning the conditions of employment prevailing in the iron and steel industry of the United States, submitted in compliance with Senate resolution No. 237, Sixty-first Congress, second session, be printed as a public document.

REPORTS OF IMMIGRATION COMMISSION.

Mr. SMOOT. I am directed by the Committee on Printing, to which was referred Senate concurrent resolution No. 5, submitted by Mr. DILLINGHAM on June 7, to report it with amendments, and I ask unanimous consent for the present consideration of the concurrent resolution.

The Senate, by unanimous consent, proceeded to consider the concurrent resolution.

The amendments of the Committee on Printing were in line 3, after the word "illustrations," to strike out "for the use of the Senate and House of Representatives, 2,175," and insert "500"; in line 5, after the word "Commission" to strike out "475 for the use of the Senate, 1,200 for the use of the House of Representatives"; in line 11, after the word "printed," to insert "and bound"; and in the same line after the word "thousand" to insert "400," so as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound, with accompanying illustrations, 500 copies of the reports of the Immigration Commission, 250 for the use of the Senate Committee on Immigration and 250 for the use of the House Committee on Immigration and Naturalization; and that there be printed and bound 8,400 additional copies of the abstracts of reports of the commission, 1,900 for the use of the Senate, 4,000 for the use of the House of Representatives, 1,250 for the use of the Senate Committee on Immigration, and 1,250 for the use of the House Committee on Immigration and Naturalization.

The amendments were agreed to.

The concurrent resolution as amended was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 3288) for the relief of H. J. Randolph Hemming; to the Committee on Claims.

By Mr. OWEN:

A bill (S. 3289) to correct the military record of Patrick J. Mabry (with accompanying paper); to the Committee on Military Affairs.

INTERSTATE TRADE COMMISSION.

Mr. NEWLANDS. On July 5 I introduced a bill (S. 2941) to create an interstate trade commission, to define its powers and duties, and for other purposes, which was referred to the Committee on Interstate Commerce. I ask that the bill be withdrawn from all the files, and I ask unanimous consent to introduce a new bill, retaining the same number.

The bill (S. 2941) to create an Interstate Trade Commission, to define its powers and duties, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

PROTECTION OF TRADE AND COMMERCE.

Mr. CLAPP. I ask that 5,000 additional copies of the bill (S. 3276) to further protect trade and commerce against unlawful restraints and monopolies be printed for the Senate.

The VICE PRESIDENT. Without objection, the order is entered.

INVESTIGATION OF PANIC OF 1907.

Mr. OWEN. I send the following resolution to the desk and ask that it be read.

The resolution (S. Res. 146) was read, as follows:

Resolved, That a committee of five Senators, to wit, Senators KERN, WORKS, REED, PAGE, and CLARK of Wyoming, be, and are hereby, authorized and directed forthwith to investigate the panic of 1907 and the causes thereof; to ascertain who, if any, were the chief beneficiaries of that panic, and who were those who chiefly suffered from it, and whether or not it was brought about by the conspiracy or connivance or conduct of private persons or of corporations or of the officers of any corporations in the United States. That said committee be authorized to sit during the sessions of the Senate and during any recess of the Senate or of Congress; to hold sessions at any such place or places as it shall deem most convenient for the purposes of the investigation; to employ stenographers, counsel, and accountants; to send for persons and papers; to administer oaths; and, as early as practicable, to report the results of its investigation, including all testimony taken by it, with an abstract thereof, and a report of the conclusions of the committee; and that the expenses of the inquiry shall be paid from the contingent fund of the Senate upon vouchers to be approved by the chairman of the committee.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. OWEN. Mr. President, I shall not ask for any action at this time upon the resolution which I have just introduced. I am content to have it go to the Committee to Audit and Control the Contingent Expenses of the Senate. Before it is disposed of, however, I wish to make a very brief comment upon the matter.

The present issue of stocks and bonds of the United States, as appears from the last report of the collector of internal revenue, shows that there are now eighty-odd billion dollars of stocks and bonds in the United States of various corporations reported under the corporation-tax law, with thousands of corporations not embraced in the report. The gigantic corporations now exercising a substantial monopoly of all the great articles of commerce and of transportation—the great products of field, forest, and mine—are controlled by a very few individuals, who also control the vast credit system of the country, called the Money Trust. The total wealth of the country, as shown by our census of 1904, was estimated at \$107,000,000,000. I call attention to the comparison of the stocks and bonds of the corporations, \$80,000,000, to the total wealth, \$107,000,000,000.

We took some pains recently to pass an act intended to prevent panics in this country. The so-called Vreeland-Aldrich Act, approved May 30, 1908, was passed, and under that act I have a list of national-currency associations formed which I desire to have inserted in the Record.

The VICE PRESIDENT. The Senator from Oklahoma, without objection, inserts in the Record as a part of his remarks a certain document which he sends to the desk.

Mr. OWEN. It is merely an abstract of the currency association formed under the so-called Vreeland-Aldrich law.

The matter referred to is as follows:

List of national currency associations.

Name, organization, and territory.	Number of banks.	Capital.	Surplus.
1. The National Currency Association of Washington, D. C. Date organized, June 18, 1908. Organization approved, July 18, 1908. Territory included, Washington, D. C.	11	\$5,202,000	\$3,942,000
2. The National Currency Association of the City of New York. Date organized, July 29, 1910. Organization approved, July 30, 1910. Territory included, the boroughs of Manhattan, the Bronx, Queens, Brooklyn, and Richmond, of the City of New York, and Long Island.	36	116,252,000	122,870,000
3. The National Currency Association of the City of Philadelphia. Date organized, July 29, 1910. Organization approved, Aug. 9, 1910. Territory included, the county of Philadelphia.	28	20,825,000	33,075,000
4. The National Currency Association of the State of Louisiana. Date organized, Aug. 4, 1910. Organization approved, Aug. 18, 1910. Territory included the State of Louisiana.	10	6,100,000	3,840,000
5. The National Currency Association of the City of Boston. Date organized, Aug. 16, 1910. Organization approved, Sept. 15, 1910. Territory included the city of Boston.	15	18,450,000	15,650,000
6. The National Currency Association of Georgia. Date organized, Aug. 18, 1910. Organization approved, Sept. 16, 1910. Territory included the State of Georgia.	26	6,931,000	5,082,000
7. The National Currency Association of the City of Chicago. Date organized, Oct. 14, 1910. Organization approved, Oct. 14, 1910. Territory included, the city of Chicago.	11	41,250,000	22,350,000
8. The National Currency Association of St. Louis. Date organized, Sept. 13, 1910. Organization approved, Oct. 31, 1910. Territory included, the city of St. Louis, Mo., and St. Louis County, Mo., city of East St. Louis, Ill., and towns of Granite City and Madison, Ill.	10	19,460,000	12,105,000
9. The National Currency Association of the Twin Cities, St. Paul, Minn. Date organized, Oct. 13, 1910. Organization approved, Oct. 31, 1910. Territory included, the cities of St. Paul and Minneapolis, Minn., and territory contiguous thereto in the State of Minnesota and the western half of the State of Wisconsin.	14	10,650,000	9,025,000
10. The National Currency Association of the City of Detroit. Date organized, Sept. 27, 1910. Organization approved, Nov. 28, 1910. Territory included the counties of Wayne, Washtenaw, Jackson, Ingham, Livingston, Oakland, Macomb, St. Clair, Lapeer, Genesee, Shiawassee, Saginaw, Bay, Tuscalo, Sanilac, Huron, State of Michigan.	16	6,725,000	2,945,000
11. The National Currency Association of Albany, Rensselaer, and Schenectady Counties. Date organized, Sept. 26, 1910. Organization approved, Dec. 12, 1910. Territory included the counties of Albany, Rensselaer, and Schenectady, of the State of New York.	11	3,560,000	3,310,000
12. The National Currency Association of Kansas City and St. Joseph. Date organized, Nov. 30, 1910. Organization approved, Dec. 14, 1910. Territory included Kansas City, Mo., Kansas City, Kans., and St. Joseph, Mo.	10	5,900,000	3,700,000
13. The National Currency Association of the City of Baltimore, Md. Date organized, Oct. 13, 1910. Organization approved, Dec. 20, 1910. Territory included the State of Maryland.	19	13,290,710	7,920,010
14. The National Currency Association of Cincinnati, Ohio. Date organized, Dec. 13, 1910. Organization approved, Dec. 22, 1910. Territory included Cincinnati and Norwood, Ohio.	10	14,300,000	7,400,000
15. The National Currency Association of Dallas, Tex. Date organized, Jan. 5, 1911. Organization approved, Jan. 9, 1911. Territory included counties of Dallas, Ellis, Kaufman, and Collin.	14	3,750,000	2,437,000

Mr. OWEN. These associations have now the power to issue \$500,000,000 of currency and to thus abate the evil consequences

of hoarding currency, which is a secondary effect of panic and one of its powerful contributing causes when it begins. But panics are not caused primarily by the withdrawal of currency by timid and frightened depositors.

Panics are caused by other great agencies, and I believe that the panic of 1907 was caused by certain great financiers who, in my opinion, promoted a bull movement by the expansion of credits through the banks and trust companies controlled by them and the allies of such companies, under which the general public absorbed large volumes of the corporate stocks and bonds manufactured by these great financiers. It is my opinion that when they had unloaded a huge volume of securities and had piled up a great volume of cash and cash credits they deliberately constricted credits for the purpose of creating a bear market, and that when the market values that stocks and bonds bore under the bull movement had been crushed out by the constriction of credits that they then used their hoarded cash and cash credits to "take over" the stocks and bonds at a ruinously low price from the unhappy people "who could not hold on."

Commercial and industrial paralysis followed. Men were ruined and suicided, millions of men were idle, and millions of women and children suffered.

Panics can be created deliberately and, in my opinion, have been deliberately created for financial profit and for the political advantage of the political allies of privilege.

"Malefactors of great wealth" have thus endeavored to rebuke progressive ideas in high places.

I earnestly believe in giving every protection to all property rights and realize that the acquisition and security of property must be protected in order to stimulate human beings to habits of industry, thrift, and providence, and to the development of great enterprises. I believe in giving all necessary protection to capital, large and small, but the small man needs protection more frequently than the large man, and often needs it from the large man in the same way that small fish need protection from the whale.

The reason why I introduce this resolution providing for an investigation of the panic of 1907 is because I think that panic was artificially created. I believe that that panic was brought about by a deliberate conspiracy, having for its purpose the enrichment of those who brought it about, and incidentally to use the panic for political purposes and suppress the progressive movement. I do not believe that such a conspiracy, if it existed as a fact, ought to be allowed to go unrebuked, even if it takes some time and expense to ascertain the truth. I regard it as treason against the United States and the people of the United States to assail the people and Government in this sinister manner. I think it ought to be thoroughly investigated from top to bottom. I requested this investigation of Senator Aldrich in June, 1908, as chairman of the Monetary Commission and was refused.

I call the attention of the Senate and of the country to the fact that there are now a very small number of men who control in the United States the power both of expanding credits and of contracting credits nationally, and that the unrestrained nationwide power to contract credits means the power to create a panic. It means the power to cause commercial paralysis, and it means that such a power can be used to coerce this country politically. It is a very dangerous power to be allowed to go without any restraint, and to go without full knowledge upon the part of the people of this country.

For example, if it is desired to create a bull market, all that is necessary to be done is to pass the word along the line of the boards of directors of the New York banks, the Boston banks, the Philadelphia banks, the Chicago banks, and of their associates that there are going to be good times, and it is perfectly safe to extend credits, and credits can be extended in that way, so that there is as a necessary consequence a rising market. This movement can be used to enrich those who understand the game by buying and selling. That movement can be reversed at will, and those who are in control of the great financial institutions of this country and their allies can limit credits, can then begin to contract credits, and again enrich themselves by reversing the process. They may at any time repeat this dangerous conduct. If they go so far as to attempt to create any stringency in this country now or at any future time, I think a thoroughgoing investigation ought to be made of it, and I shall assuredly demand such an investigation.

I introduce this resolution with a view to discussing this matter at a suitable opportunity. For the present, I am content to have it go to the Committee on Contingent Expenses.

The VICE PRESIDENT. The resolution is so referred.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 99. Joint resolution authorizing the President to invite the Republic of Mexico and the Republics of Central and South America to participate in the Panama-California Exposition in 1915, at San Diego, Cal., was read twice by its title and referred to the Committee on Industrial Expositions.

THE MONETARY COMMISSION.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 854) to require the National Monetary Commission to make final report on or before January 8, 1912, and to repeal sections 17, 18, and 19 of the act entitled "An act to amend the national banking laws," approved May 30, 1908, the repeal to take effect January 8, 1912, which were: On page 1, line 7, after "a," to insert "full and comprehensive"; on page 1, line 7, after the word "report," to insert "on all subjects referred to it under the provisions of the aforesaid act"; on page 2, line 4, to strike out the words "8th day of January" and insert "31st day of March"; on page 3, line 9, after the word "act," to insert "Provided, That voluntary assistance, without compensation, may be accepted by the commission from present employees or from others whose assistance may be desired by the commission"; and to amend the title so as to read: "An act to require the National Monetary Commission to make final report on or before January 8, 1912, and to repeal sections 17, 18, and 19 of the act entitled 'An act to amend the national banking laws,' approved May 30, 1908, the repeal to take effect March 31, 1912."

Mr. CUMMINS. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

AMERICAN SUGAR REFINING CO. AND OTHERS.

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives, which was read and referred to the Committee on Printing:

House concurrent resolution 18.

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 1,000 additional copies of the hearings of the special committee of the House of Representatives, appointed under House resolution 157 (62d Cong., 1st sess.), to investigate the American Sugar Refining Co. and others, for the use of the document room of the House of Representatives.

Mr. SMOOT subsequently said: At a meeting of the Committee on Printing last night the resolution which has just been read was considered and agreed upon, and I report it from the Committee on Printing and ask for its immediate consideration.

The concurrent resolution was considered by unanimous consent and agreed to.

POST OFFICE DEPARTMENT INVESTIGATION.

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives, which was read and referred to the Committee on Printing:

House concurrent resolution 20.

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 1,000 copies of hearings Nos. 9, 12, 13, 14, 15, 16, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, and 31 before the Committee on Expenditures in the Post Office Department, House of Representatives, on House resolution 109, to investigate the Post Office Department, for the use of the document room of the House of Representatives.

Mr. SMOOT. The statement I made with respect to the resolution which has just been agreed to applies to this resolution, and I ask unanimous consent for its present consideration.

The concurrent resolution was considered by unanimous consent and agreed to.

PAY OF EMPLOYEES.

The VICE PRESIDENT laid before the Senate the joint resolution (H. J. Res. 158) to pay the officers and employees of the Senate and House of Representatives their respective salaries for the month of August, 1911, on the day of adjournment of the present session, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they are hereby, authorized and instructed to pay the officers and employees of the Senate and House of Representatives, including the Capitol police, their respective salaries for the month of August, 1911, on the day of adjournment of the present session; and the Clerk of the House of Representatives is authorized to pay, on the said day, to Members and Delegates their allowance for clerk hire for the said month of August.

Mr. WARREN. Mr. President, I understand, unofficially, of course, that it was not known in another place that a similar joint resolution had already passed this body or this resolution would probably have been added as a substitute or an amend-

ment. Under the circumstances, however, as this accomplishes the same purpose as the one heretofore passed by the Senate, I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Senator from Wyoming asks unanimous consent for the present consideration of the joint resolution.

Mr. CLAPP. Does this come as an original joint resolution from the other House?

The VICE PRESIDENT. It does.

Mr. CLAPP. Then I desire to offer an amendment to it.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

By unanimous consent the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. CLAPP. I desire to say to the Senator from Wyoming that I do not want to embarrass this joint resolution, and if it is thought that it will embarrass I will not press my amendment, because the joint resolution which comes from the other House does offer some little relief, though it does not go as far as I think it ought to go. It has occurred to me to propose to amend the joint resolution by proposing to add to it the amendment which I send to the desk and then let the matter go to conference. However, I shall be guided by the views of the Senator from Wyoming.

The VICE PRESIDENT. The amendment proposed by the Senator from Minnesota will be stated.

Mr. WARREN. Mr. President, reserving the right to object, I ask that the amendment may be stated.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add at the end of the joint resolution the following:

That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to the officers and employees of the Senate and the House of Representatives borne on the annual and session rolls on the 1st day of July, 1911, including the official reporters of the Senate, the Capitol police, and W. A. Smith CONGRESSIONAL RECORD Clerk, and J. H. Jones, person in charge of Senate chronometer, as reimbursement for mileage and expenses and for extra services during the first session of the Sixty-second Congress, a sum equal to one month's pay at the compensation then paid them by law, the same to be paid out of any moneys in the Treasury not otherwise appropriated, and to be immediately available.

Mr. WARREN. I am not certain whether the amendment proposed by the Senator from Minnesota intends to provide for the private secretaries or clerks of Members of the other House. The resolution that comes from the House of Representatives does that only as to when this month's pay may be payable. I will ask the Secretary to ascertain whether that is done by the proposed amendment.

The VICE PRESIDENT. The Secretary informs the Chair that it is not.

Mr. CLAPP. Then, I ask that the necessary change be made, so that it will cover it.

The VICE PRESIDENT. If the Chair may suggest, there are no such employees as "private secretaries" for Members of the other House.

Mr. WARREN. I speak of it in that way merely to distinguish those employees from the others; but, of course, they are under a different appropriation. Each Member of the other House has \$1,500 to distribute as he sees fit for clerical services, as the Chair of course knows. The House thought it necessary to use different language in their resolution from what we had done in the Senate as to the resolution providing that employees may be paid on the day we adjourn for the current month.

Mr. CLAPP. I would suggest, Mr. President, that that difficulty can probably be corrected in conference.

Mr. WARREN. This measure is not yet ready for conference. It will first have to go back to the House, if we amend it, for concurrence or nonconcurrence before the question of conference arises.

Mr. CLAPP. I shall be glad to have it put in that way.

Mr. WARREN. Before proceeding further, Mr. President, I want to say to the Senator from Minnesota that I do not oppose what he seeks to do, for it is probably useless so to do. There have been at least a half dozen similar measures offered in the Senate, and seemingly no one objects, but many support. We have had the same thing in another form before the Committee on Appropriations of the Senate and did not recommend it, but it was offered and carried on the floor when a deficiency bill or resolution was being considered. It passed the Senate and went to the other House. It was referred to the Committee on Appropriations of that body, and they refused to indorse it. We have since that time passed a joint resolution which provides for the same thing as a separate measure. I think the Senator from Minnesota himself offered it. The Appropriation Committee on this side neither offered any objection nor did they ask that it be referred to a committee, wishing it

Godspeed. That joint resolution has gone to the Committee on Appropriations of the House, and has, I understand, been refused an indorsement.

I would oppose this amendment going onto this resolution had we not a resolution of our own over there which provides for the August payment. As it is, I am going to offer no objection. If this measure should go there and should die there, the House committee will still have the power to report the joint resolution heretofore passed by the Senate.

The VICE PRESIDENT. Without objection, the amendment proposed by the Senator from Minnesota [Mr. CLAPP] is agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

The title was amended so as to read: "A joint resolution to pay the officers and employees of the Senate and House of Representatives their respective salaries for the month of August, 1911, on the day of adjournment of the present session, and for other purposes."

BUILDING FOR BUREAU OF ENGRAVING AND PRINTING.

The VICE PRESIDENT laid before the Senate the bill (H. R. 13367) to amend the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1909, and for other purposes," approved May 27, 1908; which was read the first time by its title, and the second time at length, as follows:

Be it enacted, etc., That the limit of cost of the fireproof building, including the cost of acquiring a site therefor and authority to contract for the same, authorized in the sundry civil appropriation act approved May 27, 1908, for the Bureau of Engraving and Printing, in the city of Washington, D. C., is hereby increased in the sum of \$150,000; and said building shall be constructed with a facing of limestone, provided that the interior courts of said building may be open at one end.

Mr. WARREN. Mr. President, that bill would naturally go by reference from the table to the Committee on Public Buildings and Grounds; but the committee, knowing of its passage in another place on Saturday last and appreciating the great importance of the matter, has already considered the subject. I therefore ask unanimous consent that the Senate proceed to the consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. WARREN. Just a word, Mr. President. I desire to say that the construction of this building has been delayed far too long, because the appropriation measure provided for a building of a certain size and with certain conditions as to ventilation, and so forth. It was found that the building could not be erected within the limit of cost unless it was built very cheaply as to the outside facing, for which ordinary sand brick would have to be used, and that is unthinkable, if I may use that word.

The conditions surrounding the employees in that building are intolerable. The present quarters are insanitary; they are crowded so that the space to each employee is probably less than one-half what is usually provided in factories; and it is necessary that we proceed without delay to relieve this distressing condition in which we find a most worthy body of employees, numbering nearly or quite 4,000 men and women. The Treasury Department and those interested in beautifying the city had hoped that the building might be constructed of granite or marble, but that would require an addition of some \$400,000 to \$800,000. It has been impossible to effect that, and the House of Representatives, I think wisely, has decided to construct it with a limestone facing. If we accept the bill as it now comes before us, we can relieve the situation that exists and place those 4,000 employees in livable quarters in a short time. I hope the bill may pass, and that work commence immediately.

Mr. HEYBURN. Mr. President, I regret that we are confronted with the alternative presented this morning in this matter; but, of course, I recognize the necessity or desirability of acting within the limits of the existing conditions in the interest of the speedy completion of this building. It is too bad that conditions should exist anywhere to compel us to build upon a cheap, and I was going to say, a mean, basis, for it amounts to that. The idea of the Government veneering a building with limestone is an absurdity, and I am surprised that anyone should make such a suggestion. That is all this amounts to. The building should have been constructed of marble or granite, as other permanent Government buildings are; but, if we can not bring that about, the next best thing is, of course, to cover up the red brick surface, which would otherwise present itself as an eyesore and blot upon the landscape.

Looking down through a vista of all white marble buildings and then allowing the eye to rest upon a climax of red brick is not to be thought of. So I suppose we will have to yield to the conditions.

Mr. WARREN. Mr. President, I want to say to the Senator that the limestone proposed to be used is identical with that which was used in the completion of quite a portion of the Treasury Building and is probably even better than that used in the construction of the New Willard Hotel and other buildings; so that it would be a very presentable building. It will not exactly be veneered, but it will be built in the usual way, with stone on the outside and a brick backing.

Mr. HEYBURN. I do not understand that the walls of this building are to be of limestone throughout their thickness, but that it is proposed to veneer a brick structure with limestone. I may be mistaken about it, but that is the information I have, and I received a communication this morning in my mail in regard to it which called my attention to it.

Of course there is limestone and limestone. If you take the massive limestone that is susceptible of being carved into columns and figures, that is one thing, but if you take the laminated limestone resulting from deposits, you will find after a few years of exposure to the weather that the beating of storms upon the softer portion of the structure, which lies between the laminations of the lime, will cause it to wear away. I have it in my mind—I can see it as distinctly as though it were before me now—a building constructed of that kind of limestone in which that condition existed. It has been probably exposed to the weather for about 30 years. We should not build for 30 years; we should build for centuries; and we should know something of the character of stone that is to be used in a great Government building.

It is all right to allow the increase in the appropriation, but we want to be quite sure that we are not going to be the victims of some cheap work. The building should have been constructed of marble, such as is used in other Government buildings here. As each generation comes along, it seems to me, they grow less appreciative of the necessity of permanent construction. None of the modern buildings are to be compared with some of the earlier buildings constructed by this Government. The building occupied by the Interior Department, in architecture and in general construction, is far beyond any of the modern buildings that have been constructed.

It seems to me that it is time that we should open our eyes to this question. We dropped into the error of injecting right in the midst of present and prospective marble structures a Post Office Building not even of a desirable color of granite, but one of those granites that turns black. It does not make much difference as to its style of architecture; it never will look like anything but an exaggerated high school; that is all.

Congress can not safely leave this question to the ever-changing personality of any board. You can have no uniformity in that way. Congress is a perpetual, adhesive body that is always the same, or, at any rate, there is always some of the old leaven in the loaf in Congress. We must not place buildings cornerwise on great avenues; we must not adopt styles of architecture without regard to the application for the purpose for which buildings are constructed. We must not, because it will cost less, construct public buildings of brick, like the Pension Building, which looks like a great car barn. That is not the way to construct buildings that are the monuments of a great country to stand through the ages to represent the intelligence of the people. We must not do it.

The site of the proposed new building is too prominent for a brick structure. When the buildings now contemplated are constructed at the head of Fifteenth Street, we would look down between the marble buildings on one side and on the other and be confronted beyond the Monument with a blur and a blot, perhaps intersecting the middle of the line of these buildings, in the shape of a red brick structure built of sand brick. It never even occurred to them, I suppose, to build it of ornamental brick.

I merely make these suggestions, and I hope some one of them may find lodgment in the mind or memory at some time of those who must act responsibly in this matter, because when these buildings are once constructed we have them on hand so long as we live, and we do not know that any subsequent generation will ever grow any wiser; we have not been growing any wiser, and the presumption is that the next generation, if it keeps on along the same line, perhaps will not be as wise as we are, and eventually, I suppose, they will construct buildings of wood.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

GOVERNMENTAL CONTROL IN ALASKA.

Mr. LA FOLLETTE. Mr. President, I ask to have read the resolution which I introduced at the last session of the Senate. The VICE PRESIDENT. Without objection, the Secretary will read the resolution.

The Secretary read the resolution (S. Res. 144) submitted by Mr. LA FOLLETTE on the 19th instant, as follows:

Whereas the mineral and other resources of Alaska belong to all of the people of the United States; and

Whereas under existing law these resources must remain undeveloped or be turned over to private monopoly, through control of transportation facilities: Therefore be it

Resolved, That while the people of Alaska are entitled to, and of right should be granted by appropriate congressional action, the largest measure of home rule, with its representative assemblies responsible to the people, it is the sense of the Senate that the Government should own and operate all railroads, docks, wharves, and terminals, make provision for operating mines and leasing mines at reasonable royalties, with suitable safeguards for prevention of waste and security of life, and, in general, provide for proper conservation and development of the natural resources of Alaska, to be administered by a board of public works, to be appointed by the President and confirmed by the Senate.

Mr. LA FOLLETTE. Mr. President, the conservation of our natural resources is one of the most important problems of this generation. It is only recently that it has been generally realized that our natural resources are not inexhaustible.

Originally the public domain of the United States amounted in round numbers to 1,400,000,000 acres. Of this amount nearly all of the original domain available for agriculture and the greater part of our mineral wealth outside of Alaska has been disposed of, amounting in round numbers to more than 700,000,000 acres. Of this amount individuals and corporations have acquired more than 571,000,000 acres. Out of the 571,000,000 acres disposed of to individuals and corporations there have been acquired through the exercise of the homestead right only 115,000,000 acres. The railroads and other corporations had bestowed upon them by congressional grants, without any return whatever to the Government, in round numbers, 123,000,000 acres.

In addition to that, there has been conferred upon the railroads by State grants lands theretofore granted by the Federal Government to the several States, increasing the total grant to the railroads, in round numbers, to 190,000,000 acres of land—enough to make the States of Ohio, Indiana, Illinois, Missouri, Iowa, and Wisconsin. And the Government, through its executive departments, has sold at a mere nominal price, in round numbers, 182,000,000 acres.

Now, Mr. President, just one word on the conduct of the executive department of the Federal Government in the discharge of its public trust in parting with the lands which it was authorized to sell.

The statute of 1873 as to coal lands provided for the sale of known coal lands at "not less than \$10 per acre" if more than 15 miles from a completed railroad, and "not less than \$20 per acre" for lands within 15 miles of a completed railroad.

Under this act an individual could not acquire more than 160 acres. But an association of individuals might acquire as many times 160 acres as there were persons in the association, not exceeding, however, 640 acres in all.

The act made it perfectly clear that while the land might be sold for not less than \$10 per acre in the one case, and not less than \$20 per acre in the other case, that it should be sold for its full value.

Consider what happened, how that statute was administered by this Government in the discharge of its duty to the people who owned that land.

This valuable property of all the people was sold from 1873, year after year down to 1906, just as though Congress had written into that law a direction to the Federal Government that it must not charge more than \$10 or more than \$20 an acre in either of the cases defined by the statute.

What would be thought of the agent of an individual or a corporation, directed to sell so many million acres of land belonging to the individual or the corporation, his written instructions stating that he must not sell any of the land for less than \$10, who would dispose of land much more valuable than \$10 an acre for \$10 an acre? How long would such an agent be permitted to serve an individual or a corporation?

The manner in which these lands were sold was a clear betrayal of the trust committed to the administrative department of this Government. Under such administration of the statute vast wealth passed from the hands of the people into the hands of individuals and corporations at the nominal price of \$10 and \$20 per acre.

Is it to be marveled that the people of the country have waked up to a realization of their betrayal and demand some check upon those called upon to serve them who serve instead

their own interests and that of others, and who betray the public?

Mr. HEYBURN. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. Certainly.

Mr. HEYBURN. I only desire to inquire whether or not it would be agreeable to the Senator from Wisconsin, in going along over this very interesting question, from time to time to be interrupted. If the Senator would prefer to proceed, of course I would not interrupt him, but there are some questions—

Mr. LA FOLLETTE. I will say, as I have said upon other occasions, that it would not be at all annoying to me to be interrupted, if it were simply for a question or a brief interruption.

Mr. HEYBURN. It is for a question.

Mr. LA FOLLETTE. But when I have worked out an argument which I wish to present in a consecutive way I do not desire to yield to have speeches of extended length, which may wander far from the line of argument as I have it mapped out in my mind, injected from time to time into the middle of my remarks.

Mr. HEYBURN. I will say to the Senator from Wisconsin that I have no intention of making a speech or any extended remarks. I merely wanted to ask a question.

Mr. LA FOLLETTE. Interrupting the Senator from Idaho, I can see no reason why, in the orderly discussion of important questions in the Senate, when a Senator gives some evidence of having come on to the floor with some preparation to discuss a measure, that there should not obtain here the procedure which prevails in courts, for instance, of those who desire to make reply listening and making their notes and taking them up and discussing in a consecutive way their objections to the position taken by this Senator, instead of such proceeding as the Senate has fallen into, which I have said on other occasions is a deterioration from the best work.

Mr. HEYBURN. I do not desire to make a speech. I merely wish to ask a question.

Mr. LA FOLLETTE. I yield with pleasure for a question.

Mr. HEYBURN. I wished to ask if the Senator would state, or if he was going to state, in what States of the Union the coal lands that have been taken up in violation of the law are to be found? That is all. I wanted to know to what part of the country the Senator is referring.

Mr. LA FOLLETTE. I am referring to coal lands wherever located that belonged to the Government and were sold in this way. These lands were scattered throughout the whole West.

There was written into the statute a provision that they should not be sold for less than so much per acre, but, as every Senator on this floor knows, that was not a direction to the executive department that the coal lands should not be sold for more than that amount. The executive department of the Government was discharging a trust to the public, and it was its bounden duty to get what the lands were fairly worth.

Mr. BRANDEGEE. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. LA FOLLETTE. I yield for a question.

Mr. BRANDEGEE. I do not wish to interrupt the Senator, except to ask this: Is the Senator going on to show—if he is, I do not care to say anything—whether there was any direction in the statute as to advertising, or selling to the highest bidder, or anything of that kind?

Mr. LA FOLLETTE. No; I do not propose to take that up. The law contained no such directions. If the Senator from Connecticut employed an agent to go out and sell a million acres of timberland for him, and said to that agent, "You are not to sell any of that land for less than \$10 an acre," it would be a direction to the agent to get what the land was worth and not in any instance to fall below that amount.

Now, see what has happened. Down to 1906 this policy which I have just been describing of selling these valuable coal lands to corporations at the lowest figure which the law permitted was pursued. Under the Roosevelt administration, when James R. Garfield came to the head of the Interior Department and began to investigate and ascertain his duties, he at once promulgated an order to properly enforce the law, and from that time on coal lands were sold at prices varying from \$75 to \$100 an acre.

Later, in April, 1909, under the present administration, the scale of prices in the Interior Department was raised to from \$100 to \$300 per acre.

Mr. HEYBURN. How much was sold?

Mr. LA FOLLETTE. I am not able to answer the question of the Senator as to exactly how much has been sold. I do not care how much has been sold; if it has not been sold the price has been fixed at what the administration believes to be the reasonable value of these lands. And the Government, like any private owner, had better hold them until men and corporations are willing to pay what they are worth rather than to sell them for less than a fair value.

Mr. President, all of this magnificent domain so disposed of, which belonged to all the people, has been recklessly dissipated.

Mr. CHAMBERLAIN. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LA FOLLETTE. I do, for a question.

Mr. CHAMBERLAIN. I should like to suggest to the Senator that in addition to those immense grants to railroad companies they have been permitted, where worthless portions of the grant have been embodied in the reserve, to select the best timber lands in the country for them.

Mr. LA FOLLETTE. Oh, yes. If one were to attempt to discuss all the phases of the advantages which the corporations have been able to obtain from the Government at the expense of the public, it would extend this debate over many days. It is a matter of notoriety, disgraceful notoriety, that corporations have been enabled during the last few years to exchange, within the limits of their grants, lands of little or of no value, at least, of no present selling value, for timberlands of enormous value. It has been possible within the last few years to put through Congress legislation permitting such exchanges.

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I do.

Mr. HITCHCOCK. Is it not also true that the same betrayal of trust to which the Senator refers in the sale of coal lands at the minimum price also took place with regard to the sale of a great many acres of valuable timberlands, which, until a certain time, possibly 1908, had been invariably sold at the minimum price, although the administration had authority to charge a higher price, approximating what the lands were worth?

Mr. LA FOLLETTE. Mr. President, that was literally and absolutely true as to the 180,000,000 acres of land that was sold to corporations and to individuals. Wherever the law said these lands should not be sold for less than a given sum it was treated by the administration as if the law made that sum the maximum.

Mr. President, the disposition of our mineral resources especially, and until recently our forests, forms a shameful chapter in the history of our Nation. These mineral resources belonged to all of the people. In the early history of our country this was recognized and we started out upon a correct basis. By an ordinance in 1785 the Government reserved to itself "one-third part of all gold, silver, lead, and copper mines, to be sold or otherwise disposed of as Congress shall hereafter direct." In 1807 Congress authorized the leasing of lead mines in Indiana Territory.

But in 1829 cupidity and greed commenced to triumph, and the abandonment of this policy began. The abandonment became complete in 1845, when Congress repealed the leasing system of mineral lands and provided for their entire alienation. Had the policy of leasing been continued and applied to our coal, iron, oil, and copper lands, and lands containing precious metals, with suitable provision for supervision and control, the revenue from that source alone would to-day be almost sufficient to defray all of the expenses of our National Government. And what is more important, the trusts and monopolies which now exist and threaten the welfare of all of our people would not have been possible.

We realize now the mistakes that have been made, and the problem now confronting us is to devise a system which will conserve and at the same time permit the proper development of such natural resources as still form a part of our national domain.

During the past decade there has been great activity along certain lines to prevent the further waste and exploitation of our national domain. Public lands have been withdrawn from entry and millions of acres have been saved to the people through the awakening which has come. We have been fairly successful in preventing our remaining natural resources from going into the hands of private speculators and monopolies. But true conservation consists not in hoarding our resources, but a proper use of them. Our water powers running night and day from year to year without turning a wheel are of no

value to the public. To permit the mature trees of our forests to rot is waste, not conservation. To deny to this generation the advantage of the proper development of our coal fields and other mineral wealth is to deny to them participation in the benefits which rightfully belong to them. The problem, then, before us is not to hoard our resources, but to develop them in such a way that the benefits flowing from development will inure not to a few men, but to the rightful owners—all of the people of the United States—and that individuals and corporations may enter upon the public domain under proper regulations, which would give to each individual and to every corporation equal opportunity for a fair return on the labor and the capital invested in the development of these great natural resources.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. LA FOLLETTE. I do, for a question.

Mr. FLETCHER. I desire to ask the Senator if he does not think that the vice in our legislation regarding the public lands and, in some respect, in other departments does not rest very largely in the provision in the law giving the departments the power to make regulations, which regulations have the force and effect of law. In other words, instead of Congress pointing out how these public lands are to be handled, it delegates to the department the power to make rules and regulations with respect to them. Is not that the vice really lying at the root of a good deal of the trouble in that respect?

Mr. LA FOLLETTE. Mr. President, I agree that that opens the way for the administrative branch of the Government to extend advantages to those who are seeking this public domain. Investing the administrative department of the Government with a broad discretion is a very dangerous, a very bad policy, if the executive officers are not serving the public interest; but if they were faithfully to administer their trust, as though they were the owners of that property and were looking to their own interests, then I think it would be safe to clothe them with some administrative freedom.

Mr. FLETCHER. Mr. President, just one word further. I understand it is claimed that not only is the discretion vested in the department, but that they have the power to make rules and regulations, which regulations have the force and effect of law, so that Congress actually delegates to some of the departments—for instance, the Agricultural Department and the Interior Department—the power to make regulations, and those regulations constitute the law.

Mr. LA FOLLETTE. That I concede would be true generally.

Mr. FLETCHER. I do not wish the Senator to understand that I take the position that those regulations really are valid as law, but it is claimed on the part of the departments that they have the power to make regulations and that those regulations have the force and effect of law. That is the trouble with me.

Mr. LA FOLLETTE. I think, Mr. President, we all agree that it is not desirable to delegate legislative authority to the administrative department of the Government. But in this particular instance we would not have cause to complain if that authority had been exercised in the public interest rather than in the interest of favored corporations and individuals.

Mr. President, it is true the prospector who, with pick and shovel endures hardships and privations in the effort to uncover precious metals, should receive his recompense. He who makes of the arid desert fertile fields is entitled to his reward; but our laws should be such that the rights of the owners—that is, all the people—shall be safeguarded and that the rewards for development shall actually go to those who have braved the hardships and who suffered the privations in bringing the development about.

Many of the mistakes which have been made in the States can not be rectified. When remedies may be possible they may sometimes be found difficult of application. But in Alaska we still have a magnificent domain practically untouched, a domain consisting of 368,000,000 acres of land, an empire of wealth in coal and other mineral resources, the extent of which has not been determined. With the experience of the past, the waste of these resources, the turning of them over to speculation and monopoly would be a crime against the people of the United States. Here we have conditions permitting of true conservation without encountering the problems which confront us in considering the public domain in the States. These resources can not to any great degree be developed by the individual man through the labor of his hands. Here are no vast tracts of agricultural lands to complicate the problem. It requires capital to develop these resources, and the question is, Shall the profit all go to private capital, or shall the people as a whole—the owners of these resources—with their own capital make

possible such a development as will insure to the people their share of benefits?

Alaska was purchased with the people's money, taken from their common fund—the Treasury of the United States. Whatever of profit, whatever of advantage in any way accrues from that purchase belongs to all the people, and it will be the greatest crime of our generation if we permit it to be given over to Morgan, Guggenheim, and other great financial interests.

Many bills have been introduced, some for the government of Alaska as a whole, some for the disposition of her lands, some for the leasing of them on payment of royalties. Some of these bills I believe meritorious, but if we are really to conserve the natural resources of Alaska the time has come for one complete, comprehensive plan of legislation which will insure conservation and proper development and at the same time guarantee to the owners of the same—the people of the United States—such benefits from the development of their property as rightfully belong to them.

Mr. President, every day makes it more evident that the American people are waging a losing fight in Alaska. On the one hand are the 35,000 pioneers who are risking their lives and fortunes in the exploration and prospecting of its undiscovered resources. On the other hand are the millions of American people to whom this great storehouse of natural resources belong. Between them is the enormous power of the greatest concentration of capital that the world has ever known.

Sir, the contest now on has reached the point where a constructive plan must be adopted that will solve this great problem, a problem more confusing and perplexing than any other confronting the American people.

I submit, Mr. President, as appendix 1 to my remarks documents furnished by Hon. JAMES WICKERSHAM, Delegate from Alaska, showing how this struggle reaches every department of the Government from Alaska to Washington, and I ask leave, without taking time now to read those documents, to have them incorporated in my remarks and printed in the RECORD as an appendix.

The PRESIDING OFFICER. The Chair hears no objection, and the documents will be incorporated in the RECORD, as requested.

Mr. LA FOLLETTE. I will ask at the same time in that connection to have printed in the CONGRESSIONAL RECORD a Government map which I have had reduced to a size suitable for the RECORD, and as it is necessary to a proper understanding of what I have to submit, I ask that it be incorporated in the appendix to my remarks.

Mr. SMOOT. I wish to call the Senator's attention to the rule the Joint Committee on Printing of the two Houses made this morning, when this same question came up in regard to the speech of a Representative from Texas. I suppose the Senator knows that during the last two years we have had all illustrations, maps, and diagrams eliminated from the RECORD.

I want the Senator to understand that I am in full accord with him in relation to the conservation of our natural resources, and I should like very much indeed to assent to the Senator's request, if it were possible under the rules to do so, but under even a vote of the joint committee this morning it was refused in relation to a Texas matter, and under that rule I hope the Senator will not ask that it be printed.

Mr. LA FOLLETTE. In connection with what I have to submit, Mr. President, the printing of the map is necessary, and in so far as the Senate has any authority in the matter, I ask to have it pass upon this question.

Mr. SMOOT. Mr. President, I wish to call the attention of the Senator to rule 6, which is printed every day in the CONGRESSIONAL RECORD. This is what it says:

Sixth. The Public Printer is not authorized to insert any maps or diagrams in the RECORD without the approval of the Joint Committee on Printing. All requests for such approval should be referred to the Joint Committee on Printing, and may be submitted to the chairman of the Committee on Printing on the part of the Senate or of the House, in whichever the speech illustrated may have been delivered, and no maps or diagrams shall be inserted that exceed in size a page of the RECORD.

That is the rule which has been adopted; but, of course, the matter can be referred if the Senator so desires. I will state to the Senator that I will call a meeting of the Joint Committee on Printing and let them pass upon it, as they did upon the Texas matter. It is within the power of the joint committee under the rule.

Mr. LA FOLLETTE. I suppose it is possible, Mr. President, to change this regulation. The committee has formulated this rule and secured its adoption, and I suppose it is possible for it to be amended.

Mr. SMOOT. Well, I suppose—

Mr. LA FOLLETTE. I believe that anything which will in any way assist the public to a better understanding of a great public question should not be denied admission to the Record.

Mr. OWEN. I think the matter might be promoted by simply a resolution of the Senate that it shall go into the Record. Would not that be persuasive in the joint committee?

Mr. LA FOLLETTE. My present request—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield, and to whom does the Senator yield?

Mr. LA FOLLETTE. Mr. President, I ask to make the motion just at this time.

The PRESIDING OFFICER. The Senator from Wisconsin will pardon the Chair, but the Senator from Oklahoma [Mr. OWEN] made a suggestion.

Mr. LA FOLLETTE. I make this motion at this time:

That it is the sense of the Senate that the Joint Committee on Printing be authorized and directed to order the Public Printer to incorporate as a part of my remarks the Government map, which already has been reduced at the Government Printing Office to a size suitable for insertion in the Record.

Mr. SMOOT. I have no objection to that.

Mr. LA FOLLETTE. I suppose there will be no objection to that.

Mr. SMOOT. Then, it would go to the Joint Committee on Printing.

Mr. LA FOLLETTE. It simply makes it the request of the Senate, instead of my personal request.

Mr. SMOOT. That is all; and I have no objection to it.

Mr. LA FOLLETTE. Mr. President, if the Chair, then, will submit the motion which I propose, it is:

That it is the sense of the Senate that the Joint Committee on Printing be authorized and directed to order the Public Printer to incorporate in the Record, in connection with my remarks, the map which I offer at this time.

The PRESIDING OFFICER. The Senate has heard the motion of the Senator from Wisconsin. The question is on that motion. [Putting the question.] The motion is agreed to.

Mr. LA FOLLETTE. Mr. President, whatever evidence or lack of evidence there may be as to the present intentions and maneuvers of corporate power in Alaska, our experience with the same forces nearer home teaches us that monopoly under these conditions is inevitable. Anyone who examines these documents must see that the foundations are being laid in Wall Street for the upbuilding of a monopoly in Alaska equal to that which controls the great anthracite coal fields of Pennsylvania. Here we have the same work of pioneers and prospectors, the same investors and mining companies, securing foothold and endeavoring to reach the market, but unable to induce capital to assume the risks of a contest with special interests, denied all hope of transportation and reasonable freight rates to reach markets. The same situation, if unchecked in Alaska, will develop in a very few years to the point of monopoly control which it required 30 years to reach in Pennsylvania.

Mr. President, the key to the whole situation is the control of the means of transportation.

The anthracite coal of the United States lies in three small fields in the State of Pennsylvania. Brought together into one body they would constitute a little strip of country 8 miles by 60—that is all of the anthracite coal outside of Alaska.

This little patch of anthracite coal to-day is owned, Mr. President, chiefly by one, and entirely, except a very small percentage of it, by two railroad companies. How did they acquire it? There was a time when it belonged to individuals who were seeking to develop it. But in 1871 eight railroads tapped these coal fields. Not a pound of that coal could go to market except over the lines of these railroads.

Those eight railroad companies conspired to take that coal land away from the individuals who owned it. How? They had absolute control of the only highways over which the coal could find its way to market. It was in their power to charge such transportation rates as they chose, to withhold cars if they saw fit, and in all the devious ways in which the business of the great transportation lines of the country may be operated to oppress shippers, to work their will and take over the property of the individual owners of those coal lands. They effected an organization; they proceeded to formulate rules and to enforce such hard conditions with respect to transportation as made it impossible for the men who owned the land to produce the coal and transport it to market at a profit. One after another these men were forced to the wall and compelled to surrender their property. The weakest went down first. Finally, the State of Pennsylvania, aroused at the wrong and injustice inflicted by the transportation companies upon the individual owners of these coal fields, called a convention and

adopted an amendment to the State constitution, the purpose of which was to put an end to these wrongs.

In 1873 the State of Pennsylvania wrote into its constitution a provision that no railroad company should acquire or own or operate mines or mining lands. It put an express provision into the constitution limiting the rights of the railroads in the acquisition of real estate to land acquired solely for transportation purposes—a proper and a legitimate provision to write into organic and statutory law.

One would think that such a provision would have afforded protection and put an end to the tyranny and oppression of these railroads. It did not. They trampled under foot that constitutional provision; they paid no heed to it whatever; they went on acquiring control of these coal lands by oppression which has seldom been equaled in any country since society was organized and governments established. Men were ruined, their property taken from them at such a pittance as the railroad companies chose to pay for it, and, finally, Mr. President, a subservient Pennsylvania Legislature—and the Legislature of Pennsylvania has, with rare exceptions, been subservient to corporations—I say a subservient Pennsylvania Legislature, instead of enacting appropriate legislation for the enforcement of this constitutional provision, enacted a law forever preventing any of the lands thus acquired from escheating to the State. They gave immunity to these railroads—clothed them with an indefeasible title in these lands acquired in violation of the organic law of the State. The constitutional provision directed against railroad control of the coal fields required legislative enactment to make it operative, and the legislature, instead of making it operative, strangled it and then passed a statute to make secure the title of the railroads in these coal lands they had filched from the owners.

Thus it was that the tremendous power of freight discriminations first showed itself in the anthracite coal fields of Pennsylvania 40 years ago when it was employed to force ultimately the sale of 95 per cent of all the individually owned anthracite coal lands to railroads owning and operating the only lines over which the coal could be transported to market.

These roads did another thing. This same power was employed to defeat the struggle of labor organized against oppression, to secure fair wages.

By doubling the transportation rates against those employers who were willing to reach an agreement with their employees, and favoring those who determined to crush the organization of labor, the railroad corporations in the anthracite fields learned the lesson of discrimination, by which ultimately they forced all independent mine owners out of existence. The bloody history of the Molly Maguires was followed by bankruptcy of independent operators, the concentration of coal mines in the hands of the railroads, the final victory of labor in 1902, after the prolonged strike of five months, when the entire people of the country, as one man, demanded through the Government a cessation of hostilities and a resumption of work. Following this, and owing to the destruction of independent ownership by railroad monopoly, not only was the increase in wages thrown upon the consumers, but double and treble the amount of that increase has been paid ever since, and is now being paid by the American people in the price of coal. Even all the power conferred upon the Interstate Commerce Commission has not been able to regulate this extortion.

Mr. President, when we have before us the history of this anthracite struggle, now consummated in the complete control of Pierpont Morgan against the whole American people, can we expect any different result if we permit the Morgan-Guggenheims to get control of Alaska? This power will lie in their control of the docks, wharves, mountain passes, and the limited outlet to the markets.

Contrast this helplessness of the American people in dealing with Alaska with what the same people are doing on the Isthmus of Panama. Here is the greatest piece of construction work known to history. A population as great as that of Alaska has been brought together on the borders of the Torrid Zone, in a climate unspeakably dangerous, and a peaceful, healthy, and effective development of a great transportation route is carried forward. Here is a department of sanitation which has rendered the Canal Zone one of the healthiest communities in the world. Here are great commissary departments and a subsistence department with manufacturing plants and cold storage. The increased cost of living which has burdened the American people has not so seriously affected them. American labor is employed at remunerative wages eight hours a day and thousands of alien laborers nine hours a day. The Isthmian Canal Commission operates the post offices, public schools, a police force, and a complete judiciary system. It has organized its

construction and engineering work so that the canal will be completed two years in advance of the estimated time. The accounts and bookkeeping have been brought to the highest stage of perfection known to the greatest business enterprises of our country.

Mr. President, I ask permission to incorporate as Appendix 2 of the remarks which I am submitting to be printed in the RECORD, matter relating to Panama to which I have just referred.

The PRESIDING OFFICER (Mr. CLAFF in the chair). Without objection, it is so ordered.

Mr. LA FOLLETTE. This is what the American people have learned to do when called upon to meet a great emergency requiring direct Government control in the public interest.

Mr. President, we are now required to decide which of these two methods shall the American people adopt in Alaska. Shall we give Alaska over for the profit—the enormous and ever-increasing profit—of that great organization, now practically under the direction of a single mind in this country, controlling the credits, the transportation, the industrial organizations, the franchise institutions of the country? Will the American people be so blind, so dull, as to permit this enormously rich field of Alaska to become the property of Morgan and those allied with him, and thus force all the great western country and the millions who are to people it in the generations to come to pay such extortionate prices for coal as that power will certainly exact, or will the people of this country, who own Alaska, see to it that this great storehouse of wealth shall be used for the benefit of all the people, their children, and their children's children for all time?

Up to the present time we have been going blindly along the road of the anthracite-coal combination, but it is possible for us to accomplish permanently in Alaska all that is being accomplished temporarily in Panama.

There is, however, one great difference. The people of Alaska must be permitted to develop in the highest degree their own social and political conditions and individual enterprise. They should have the largest amount of home rule that can be given them, with representative assemblies responsible to the people. Our obligation to the Alaskans is to give to them and to all newcomers liberal and equal opportunities to make what their brains and character entitle them to.

Permit the Morgan-Guggenheim combination to remain in control of the railroads of Alaska, and all the men lured there with pick and shovel and pack will in the end be completely at the mercy of Morgan and Guggenheim. Every pound of coal they mine will pay such tribute as the monopoly-owned transportation companies choose to exact, and the very moment when the development has progressed far enough to satisfy Morgan and Guggenheim that their mine is really valuable, that moment either no cars will be furnished to the mine owners or they will be furnished at such irregular intervals as will make it impossible for the miners to meet their contracts for delivery of coal. They will be taxed excessive freight charges, hindered at the dock, and interfered with in every way until finally they will be obliged to sell to the Morgan combination at its own price. Through the control of the transportation lines of Alaska alone this great combination would ultimately be able to take over every valuable mineral property in that country.

The American people are the owners of the resources of Alaska. These have been preserved up to the present time by withdrawing them from occupation and use. The people now clamor for their use and for the development which is essential to their use. They are entitled to get the benefit of the reduction in the cost of living which will come from a utilization of Alaska's treasures. The whole Pacific coast demands access to the enormous coal deposits. The people east of the Rocky Mountains will gain by their development. Even the Navy Department of the Federal Government is compelled to pay \$9 to \$12 for coal on the Pacific coast which costs \$3 to \$4 on the Atlantic coast. The tests which have been made show that samples of coal from veins as thick as 33 feet in the Controller Bay region have a higher heating value than coal secured by the Navy Department on the eastern tidewater.

In support of this I wish to incorporate as Appendix 3 of my remarks certain public documents and extracts from the same which prove the assertion I have just made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LA FOLLETTE. Sir, I believe that our future naval power on the Pacific Ocean depends upon the utilization of the coal of Alaska.

Mr. President, if a private corporation now owned the coal fields of Alaska, what would be the first step undertaken by the management of such corporation in their development?

Would the management look to some other corporation to build railroads connecting such coal fields with the sea while having ample capital of its own to build such railroads? The very suggestion shows the absurdity of it.

A management that would pursue such a policy would soon end in removal by the stockholders upon the ground of graft or incompetency. There can not be any doubt about that. But a proper management of such a corporation would at once proceed to construct railroads to the coal fields, and if there were any existing lines they would at once secure control of them through purchase. Fortunately, private corporations own but a very small portion of the coal fields of Alaska. Their ownership still rests in the people of the United States, and under our form of government the management and control is vested by the people in the Congress of the United States. In the consideration of this question we ought to regard ourselves as having exactly the same relation to the owners—the people—in the management of these resources as a board of directors would have to the stockholders were the resources under private ownership. If this much be granted—and it seems to me very clear that it must be—then we owe it to the people whom we represent to guard their interests as faithfully and manage their business as carefully as a corporation would were the resources under private control and belonging to the corporation. It then follows that our first duty to the owners of these magnificent coal fields and other deposits of mineral wealth is to provide for their proper development; and, as in the case of a private corporation, so in the case of public ownership, the first step to be undertaken should be the creation of proper transportation facilities, whereby a market may be afforded for the resources. The Government should own and build these transportation facilities for the same reason that a private corporation, if owning the resources, would build and own them. The wharves, docks, railroads, and terminals in Alaska should at once be acquired by the Government for the same business reasons that would move a private corporation to acquire them if it owned the coal fields.

According to the best information which I can obtain from public sources there are only 371.4 miles of railroad in Alaska. The time has come for this Government to act. Therefore, in the conservation and development of our natural resources in Alaska the first step to be undertaken is the building of railroads by the Government itself and acquiring of such as now exist through exercise of the right of eminent domain.

This being accomplished, the Government itself should own and operate at least one great coal mine, to supply its naval and military needs and to sell the surplus at a reasonable profit, as a check against extortion by private corporations developing other mines.

What sense is there in the Government paying to the Morgan control of this country \$9 to \$12 a ton for coal on the Pacific coast when it can mine it out in its own coal fields in Alaska at \$3 and \$4 a ton?

Mr. President, I have prepared and introduced in the Senate at this session, and at every session for the last four years, a bill, S. 2860, providing for the leasing of all mineral rights to coal and other mineral mined for fuel, oil, gas, or asphalt upon or underlying the public lands of the United States, whether located in Alaska or otherwise. This bill has been carefully considered and drawn upon the most effective lines of similar leasing systems of Prussia, New Zealand, and other countries. It provides safeguards to protect the people and security and profit for the leaseholders.

It provides for the protection of labor in the contract for wages, in the prevention of accidents, and for the development of the mining industry in most effective methods. The substantial provisions of this measure should be adapted to the control of the Nation's resources of Alaska.

As to the agricultural development of the Territory, this should be made, as far as possible, consistent with the Government's title to the mineral and forestry resources, subject to homestead entry under the general land laws.

Mr. President, the problem then remaining is how to administer this great estate. The example of Panama points the way. Congress, of course, can not deal with this subject in all of its details nor assume the management of the development of our resources in Alaska. The same reasons which prevent Congress from undertaking supervision apply practically with equal force to the President, the Interior Department, and the Interstate Commerce Commission.

The sensible and practical thing to do is to create a board of public works for Alaska, to be appointed by the President and confirmed by the Senate, similar to the Isthmian Canal Commission. This board of public works should then undertake, not merely to build a railroad from Controller Bay to the

coal fields, but it should now acquire all of the railroads in Alaska, and settle at once the policy of governmental ownership. It should similarly provide for the development of other public utilities, such as the telegraph and telephone. It should operate and develop the wharves and docks and steamship lines, if necessary, to deliver the products of Alaska to the Pacific coast. The Morgan-Guggenheims, accustomed to the highest profits on their investments, and demanding to a great extent immediate returns, must make exorbitant and oppressive charges. The people of the United States do not demand an immediate return. They can themselves supply all necessary money at an interest charge of less than 3 per cent. Rates for transportation and for other public utilities may properly be low, with the capital cost as small as the investment would be to the people. Most important of all is control of the transportation facilities by the Government. It would forever remove the irresistible temptation of discrimination, rebates, and corruption which have characterized the worst period of our railroad operation.

Mr. President, the whole situation is summed up in the Republican platform of Wisconsin, adopted September, 1910, which says:

The attempt of private monopoly to steal the Alaskan coal fields was defeated for the time being through the efforts of a few courageous officials whose sacrifice and devotion to duty furnish an example worthy of emulation in every department and rank of the public service. Failing to secure the coal fields through perjury and fraud, special interests will exploit them through a monopoly of transportation. The title to the coal fields of Alaska should be forever retained by the Government, subject to lease under proper regulation. The situation of Alaska is exceptional. Transportation is the basis of control. It is the key to this vast territory of treasure. As exceptional conditions in Panama required the Government of the United States to own and operate a railroad on the Isthmus in order to protect its interests and the interests of shippers, so we hold that exceptional conditions in Alaska require that the Federal Government should construct, own, and operate the railroads, docks, and steamship lines necessary to the opening up of the Alaska coal fields and other natural resources.

I feel some pride, Mr. President, in that declaration, which was incorporated in the State platform of Wisconsin in September, 1910.

With a law such as I have indicated, the Government owning the railroads, the direct operation or leasing of the coal fields under proper regulations, insuring a proper revenue to the Government for the benefit of the people, and proper regulations that will protect the consumer, all under the management of a board of experts having in mind only the public interest, I believe that the problem of conservation of our natural resources in Alaska will be solved and that its administration there will be of great aid to us in securing solutions for some of the problems which confront us in considering the conservation of such natural resources as are still a part of the public domain in the States.

Mr. President, I ask to have printed as an additional appendix a notable address delivered by Alfred L. Baker, a business man of Chicago, at the Conservation Congress at St. Paul, September 5 to 9, 1910.

The VICE PRESIDENT. Without objection, permission is granted.

Mr. LA FOLLETTE. I thank the Senate for its attention.

APPENDIX I.
COMMITTEE ON THE TERRITORIES,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

MY DEAR SENATOR: If Alaska does not soon secure the active and aggressive support of some strong and fearless United States Senator, who will study her local conditions and understand what each move made by the Alaska Syndicate means and how each is connected with others and how the different moves are part of one plan to secure the control of her resources and government, it will be too late to save her from long-continued and damaging exploitation. A Delegate can do but little. He is no more than a legalized lobbyist, and the average Senator or Congressman is just as liable to be guided by the un-legalized lobbyist as the Delegate. These great special interests are able to engage as lobbyists men high in civil and Army life, who have opportunities to present their schemes in the most innocent way to those in power, and thus secure advantage of position which not even a dozen Delegates can obtain. Under the promise of developing the great Territory, they secure its resources and possession of its natural strategic points, and thus deny others an equal opportunity; and having secured these natural advantages they are in a position to control not only the material development of the Territory, but even of its government.

I propose to lay before you a sample of what I mean, and then ask you, as one of the trustees of the national wealth in Alaska, to give some of your time to the understanding of the real conditions there, that your trusteeship may be free from neglect.

Specification 1.—The Alaska Syndicate is seeking to secure private ownership and complete control of every gateway to Alaska. It has now secured the ownership of the great central gate of the Copper River Canyon, through which it imagines the control of the whole of the interior may be safely held. While they and those who stand on the record as the owners of the Alaska Northern Railway deny ownership in that gateway, recent admissions tend to show that they own and control it. I have no doubt they own and control the White Pass and

Yukon route, the gateway into the Yukon territory and the eastern interior of Alaska. There are other facts which you ought to understand which lead those acquainted with the situation to believe that they have contracts with other ostensible owners by which they control, if not the title, certainly the management of all lesser transportation lines to and within Alaska. Congress ought to investigate and learn if there is not a complete control of all transportation to and from and within Alaska by this syndicate, uncontrolled or unhampered by the interstate-commerce laws. I send you the evidence of Mr. John N. Steele, the general counsel for the Guggenheims, who testifies to much that is interesting and is ignorant of much that is highly suggestive. He certainly discloses enough to justify you, as a trustee of that great estate, in demanding to know more. I mark his testimony "Exhibit A."

Specification 2.—It is easy to charge the Alaska Syndicate with the general desire to "grab and loot" Alaska, but you will want some specific information. For that purpose I propose to assume the Bering River coal fields, with the Cunningham coal claims, as the objective point, and inform you that for three or more years, ever since the Guggenheims secured the option of July 20, 1907, from the Cunningham, the Alaska Syndicate has deliberately and systematically sought to secure a monopoly of that field and the harbors and all approaches thereto. I send you herewith a copy of my speech, "A national coal monopoly in Alaska," and call your attention to pages 20 and 22, where you will find the option and the Guggenheim general counsel's legal opinion as to its present validity. (Exhibit B.)

Specification 3.—In 1907 the Alaska Syndicate was engaged in building its railroad from the town of Valdez, on Valdez Bay, to their great copper mines at Bonanza, on the Chitina, the east branch of the Copper River. They built about 10 or 15 miles of railroad grade, reaching some 5 or 6 miles into a narrow canyon known as Keystone Canyon. About that time (July 20, 1907) they became interested in the Bering River (Cunningham) coal fields, and concluded to abandon the small amount of work they had done at Valdez. They did so, removing all their supplies, grading outfits, men, camps, etc., to Katalla, on the north shore of Controller Bay, where they began to build a great breakwater harbor, intending to build a short line to the coal and their longer line up the Copper River to their Bonanza copper mines. After they had abandoned Valdez the people there, being naturally disappointed, organized the Home Railway Co., and secured ex-Gov. Brady and his friends to aid them. They began to construct a cheap narrow-gauge railroad along the same route, but not on the same right of way. However, when they reached Keystone Canyon there was no other right of way, and, under section 3 of the act of May 14, 1898 (30 Stat. L., 409), they had, in a "canyon, pass, defile," that right, so they took to the old abandoned right of way for their track. The Guggenheim interests became frightened at their efforts, and to prevent them from actually succeeding in building a competing line across the short route to strike the Copper River, where their road would come out, sent a few men into the "canyon," who erected a barrier of rock on the side of the canyon wall and waited for the opposition laborers to come. In the morning early the Home Railroad men, with their implements of labor on shoulders, walked along their way as usual, unexpectedly came to that point and were ordered to halt. Before they could do so they were fired on by a man in ambush and three of them shot. The first man shot fell with a bullet in his breast and died. Two others were shot in the back while running. Of course this created much excitement. Hasey, who did the shooting, was arrested. Hazlett, the Guggenheim manager, who ordered Hasey to do the shooting, began telegraphing for help, and Gov. Hoggatt, then governor of the Territory, went to Valdez as fast as he could. He did all he could to defend the Guggenheims and their men, and demanded the arrest of the laborers, denounced the prosecuting attorney, and fought the Guggenheim battles like a hired lawyer. The whole record of this event is in the Attorney General's office here in Washington, and your secretary can see it upon request. The short of it was that by these means—by shooting, intimidating, and bribing their men to leave Valdez—the Guggenheims broke up the local effort to build a competing short line of narrow-gauge railway from Valdez to the Copper River. At the same time they shot the men in the canyon the Guggenheims hired all the men at Valdez, gave them promises of better wages and steady work, and took them to Katalla. In this way they destroyed the Home Railway and its efforts to build a competing line. The officers of the Guggenheim road had, however, laid themselves liable to prosecution for instructing Hasey to shoot, and when he was indicted they were, of course, obliged to defend him. They spent \$70,000 in that defense, and bribery and corruption of the court was rampant in the cases. Herewith I attach a record marked "Exhibit C" showing you how part of that money was spent for bribery of deputy district attorney and for the corruption of the court and juries. The record will disclose the general exertions which the Alaska Syndicate made to kill off the Valdez road, and they were so successful that every attempt then or since to build a railroad from Valdez has been frustrated.

Specification 4.—After the Alaska syndicate had abandoned Valdez and removed its terminus to Katalla, it found it necessary to build a breakwater there at an expense of several million dollars. Why? Because there was then no known harbor on Controller Bay or in that vicinity out of which the Cunningham coal could be transported.

I now call your special attention to the fact that there is no harbor on the Pacific between Prince William Sound and Yakutat Bay. Look at the big Alaska road map and you will see that the great Malaspina Glacier lies between Controller Bay and Yakutat, effectually cutting off any possibility of reaching the latter bay with a railroad. The great mud flats and widespread delta of the Copper River fill the space between Controller Bay and Prince William Sound. For 200 miles along that coast there is no harbor nor any place where one can land—not excepting Controller Bay.

The Guggenheims undertook to create one by building a long and expensive jetty or breakwater of rock dumped off their cars; the Pacific waves destroyed it at the first great storm, and their \$1,000,000 invested in it was wasted.

Two other corporations sought about that time to enter into competition with them for a share in the development of the Copper River country and the exploitation of the Bering River coal fields.

Specification 5.—The first of these was the attempt of the Alaska-Pacific Railway & Terminal Co., a Pennsylvania crowd, to build a coal road from Martin Island to the Bering River coal field. Martin Island lies about a mile north of Katalla, and this company had been specially granted the right by act of Congress to connect these islands and build their railroad thereon. (See two acts, pp. 803, 804, U. S. Stat. L., vol. 34, Pt. I, Public Laws.) It was proposed to connect the

islands by a breakwater with each other and the shore and the use of the inclosed area as a harbor.

Though they had prior possession of the right of way and were at work actively, the Guggenheim railroad people attacked them in Congress, in the courts, on the crossings of the roads, and in a financial way, and utterly destroyed them. As United States district judge I tried one of the cases and decided it in favor of the Guggenheim interests; it was appealed to the United States Circuit Court of Appeals, Ninth Circuit San Francisco, where my decision was sustained. For reports of cases see *Alaska-Pacific Railway & Terminal Co. v. C. R. & N. W. Ry. Co.* (3d Alaska Rep., 343). Same case on appeal (160 Fed. Rep., 862). Later in another court the Guggenheim people were indicted for attacking and assaulting the Alaska-Pacific Railroad construction men and taking possession of their works, but nothing was subsequently done, for the Alaska-Pacific Co. was defeated, bought out, and driven from the field.

Specification 6.—About that time another competitor entered the field. The Alaska Terminal & Navigation Co. took proper steps under the law to reach Controller Bay harbor, where the Controller Bay Railway Co. has recently secured a Congressional grant. On May 1, 1908, Senator Ankeny of Washington introduced a bill (S. 6925) proposing to sell to the Alaska Terminal & Navigation Co. a tract of 640 acres on the south end of Kanak Island for terminal purposes, so that their railroad might reach the same identical harbor that the President threw open to the Ryan people on October 28, last. Herewith is a copy of S. 6925 and a report of the Senate Committee on Public Lands in favor of its passage, marked "Exhibit D." Notice that Secretary Garfield reported unfavorably on the original bill and presented a substitute, which the committee reported favorably instead of the original bill. The matter then stood that the bill had the approval of both the Secretary of the Interior and the Senate Committee on Public Lands. In spite of the double approval I now call to your attention that when the bill came before the Senate on May 15, 1908 (60th Cong., 1st sess.), the record is as follows:

"ALASKA TERMINAL & NAVIGATION CO.

"The bill (S. 6925) for the relief of the Alaska Terminal & Navigation Co. was announced as next in order.

"Mr. GUGGENHEIM. I object to the consideration of the bill.

"The VICE PRESIDENT. Objection is made by the junior Senator from Colorado to the consideration of the bill."

Proceedings in the Senate May 19, 1908:

"ALASKA TERMINAL & NAVIGATION CO.

"Mr. KEAN. I ask that the next bill on the calendar, the bill (S. 6925) for the relief of the Alaska Terminal & Navigation Co. be placed on the calendar under Rule IX.

"The VICE PRESIDENT. The bill will go to the calendar under Rule IX at the request of the Senator from New Jersey."

And thus another competitor was killed on the floor of the Senate by the objection of Senator GUGGENHEIM personally.

Again I call your attention to Exhibit A, the testimony of Mr. GUGGENHEIM's attorney, John N. Steele, and to page 54, where Steele fairly admits that Senator GUGGENHEIM was a member of the Alaska Syndicate when he stood on the floor of the United States Senate in his capacity as Senator and by objecting killed a bill which was offered and in which he had a personal interest, his interest being to prevent any competition with his—and his partners in the Alaska Syndicate—own railroad schemes to monopolize and control the output of the Cunningham coal fields on which he—and they—then had the Cunningham option of purchase (see pp. 20, 21, and 22 of a National Coal Monopoly in Alaska, Exhibit B).

Specification 7.—After the Guggenheims had spent a million or more in trying to build a breakwater at Katalla, and had killed both other roads trying to get a foothold there, they found that Michael J. Heney, backed by Graves, the president of the White Pass & Yukon Railway, and his English syndicate, had begun to build a railroad in competition with them from Cordova, on a small harbor within Prince William Sound. (See the location from the maps.) That road had too much backing and was too well advanced to be easily bulldozed, so they bought it. Thereafter they abandoned Katalla as the main terminal and went to Cordova, from whence they completed the Heney road up the Copper River to their Bonanza copper mines, and intending to build a branch from Mile 49 thereon to the Bering River (Cunningham) coal fields.

Herewith I also send you a map of "Southeastern part of Prince William Sound and Bering River coal fields, Alaska, and charts of Orca and Controller Bay and Nelson town site." (Exhibit E.) You will see the location of the various points of interest, including Martins Island and the Controller Bay region, where the Kanak Islands are located.

Specification 8.—Upon this last map (Exhibit E) you will see the town site of Nelson. Here was a special privilege granted to three gentlemen which was never given to other Alaskans. The chairman of the Senate Public Lands Committee has been immortalized by having this special grant of public land named after him. I especially call your attention to the map. You will notice that it is not only a grant from the United States, but that another branch of the Government has been appealed to, and not in vain, to make the town-site value more valuable by withdrawing all lands around it as military reservations. "Nelson" was granted as a special privilege by an act of Congress prior to my service as Delegate—by the act of February 6, 1909. (See p. 598, Public Laws, 1908-9.)

Specification 9.—Since there was no danger of any other railroad on Controller Bay, and as none could reach Nelson except over its roadway, the Copper River & Northwestern Railway, the Guggenheim road to Cordova, turned its attention to demanding other special privileges from Congress. The first of these was Senate bill 6316, "to relieve the Copper River & Northwestern Railway Co. in Alaska from taxation." Herewith I attach a copy of the bill, the favorable committee report, and a copy of the objections which I prepared to it. (See Exhibit F.)

The bill was introduced by Senator SMOOT, reported favorably by Senator Beveridge, approved by Secretary Ballinger, and passed the Senate on July 23 (24) without notice or objection. The bill was then sent to the House and referred to the Committee on the Territories, of which I am a member. Again I call your attention to Exhibit A, the testimony of Mr. Frank A. Law and Mr. John N. Steele, taken before the House Committee on the Territories on February 10, 15, 16, and 21, 1911, in the effort to secure favorable action on the bill. The interests actually had a majority of the committee, but the row raised before it was so unpleasant that it was thought best not to report it notwithstanding members of the administration higher than mere Congressmen

sought to accomplish that purpose, and the bill died with Congress on March 4, 1911.

Specification 10.—While the last-mentioned graft amounted to no more than an effort to give the Guggenheim enterprise in Alaska a valuable privilege and relief from taxation, the bill now presented to your notice proposed to erect a tollgate in the great Copper River gateway to Alaska and present it to the Alaska Syndicate. The bill S. 8797 was first introduced on June 21, 1910, by Senator CLARK of Wyoming. It was immediately presented to the Senate Committee on Territories for passage, but in my letter of June 24 I presented such an objection to Senator CLARK that no effort was made to pass it, June 24 being the last day of the session.

When Congress met in December, 1910, the bill was redrafted and again introduced by Senator CLARK of Wyoming (S. 9163). This time the reference was switched, and it went to the Committee on Commerce, of which Senator Frye was chairman. On December 19 I wrote Senator Frye a long letter, stating my objections to the bill in detail, and also sent copies of the letter to other Senators and to the Secretary of the Interior. The Secretary of War approved the bill, but I kept up such a fight against it as to carry it beyond March 4 and to kill it. This was the most dangerous bill of the lot, and if passed would have effectually shut the Cordova Bay door against the trade of the interior of Alaska and the Bering River (Cunningham) coal fields and given the key to the Alaska syndicate. I attach copies of Senate bill S. 8797 and 9163 and both my letters relating thereto, and mark them "Exhibit G."

Specification 11.—While this effort was pending in Congress to get title to the Cordova gateway from the United States under Senator CLARK's bills, on October 28, 1910, the President made his Executive order releasing from forestry reservation 12,800 acres for the Controller Bay Railway. Of course, your resolution brought no effective result, but that need not surprise you, for this reason: There being no surveyed lands in Alaska, those desiring to take the lands on Controller Bay have to procure, first, locations, and second, surveys, conceding that they desired to take all the 12,800 acres after October 28, 1910, the date of the President's order. At that date winter was on, the ground covered with snow, deep and lasting for the whole winter. They could and would, however, make locations by setting stakes and filing notices in the recorder's office at Katalla. These mere stakes and notices would be sufficient to hold others off temporarily, and in the meantime the promoters were busy in Washington attempting to get a bill through to give them (as at Cordova) a fee-simple title, by congressional grant, of the water front of Controller Bay. They got a bill, emasculated and not what they wanted, passed and approved on March 4, 1911. In the meantime the climatic conditions at Controller Bay, deep snow and winter, prevented all efforts to mark out the ground and survey. This was just as they wished, too, because they would not have to buy soldiers' additional homestead scrip until spring and until after March 4, when the bill passed. After March 4, 1911, the bill having passed, they bought the soldiers' additional homestead scrip (from John M. Rankin, attorney, in Maryland Building, Washington), and then, for the first time, began to survey, file their scrip, and perform such acts as brought them in the United States land office at Juneau, Alaska. The report made by the Secretary of the Interior to your resolution shows that only two formal applications for entry of those lands had been perfected, and one other just filed in the Juneau land office, when the report was made. How many had been previously located and actually existed in a preliminary stage he did not know and, of course, could not report. As time goes on we will discover whether or not that tract was then actually covered by filings which had not yet gone so far as to reach the Juneau land office. I am privately informed that the whole of the tract was taken, but it will take some time to get the facts, and even then they may withhold final application to the land office until matters quiet down. I shall, however, get the whole facts before next December.

Specification 12.—For your information I attach hereto a full list of bills and reports and my objections to "A bill to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River in the Territory of Alaska, and for other purposes," marked "Exhibit H." Notice the fraud in the title—for a salmon could not get up this river(?). It is a nonnavigable stream and no necessity to appeal to Congress to build bridges over it.

The first two of these bills—H. R. 30796 and S. 9864—were from one copy, which I examined before introduction and said I would not oppose. Immediately after the introduction of the bill in the Senate and House, however, Mr. Ryan came to me and said that the bill was no good; that ex-Senator Spooner told him it was not sufficient. He said he must have the title to the tidelands. That I told him I could not agree to; that I would oppose any private ownership in Alaskan harbors. However, he said they must have it, and I call your special attention to S. 9864, amended, and the report prepared by Senator Piles to accompany it, to show you that it was not only amended, but how. Mr. Stafford, member of the House Committee on Interstate and Foreign Commerce, quite agreed that the Piles amendments were all right and proposed to amend the House bill in accord therewith and pass it. Finally I told him frankly that if any such effort was made, I should denounce it on the floor and defeat its passage. I wrote him the letter attached to Exhibit H, dated February 14, in explanation to my opposition. He insisted on having the Secretary of the Interior examine the bill, and as late as March 2 I was still objecting while they were still attempting to persuade me to allow them to pass the bill with the words "granted a right of way" across the tidelands. I insisted on striking out the word "grant," so that no fee-simple title passed to them and the title should remain in the United States, subject to all the terms, limitations, and conditions of the act of May 14, 1898.

If you will notice the H. R. Report No. 2257, by Mr. Stafford, to accompany the bill as it finally passed the House, you will find that both the War and Interior Departments approved the bill with the granting clause, which would have given the harbor to private ownership. Having secured all I could, and really what will hereafter save the harbor, I was forced to let the bill go through, which it did on March 2 in the House and passed the Senate on March 4 without question or notice. Now, let us recapitulate:

1. The Alaska syndicate drove out and destroyed the Home Railroad of Valdez, because it threatened to invade the Copper River field, resorting to murder to accomplish its ends.

2. To secure its officials from indictments it has bribed court officials, jurymen, and witnesses, spending \$70,000 in the Hasey case alone.

3. In June, 1907, the Alaska Syndicate, through force, the courts, and finances, drove the Alaska Terminal Co. out of its prior possessions at Martins Island, Katalla, on Controller Bay, and took possession and has since retained it, though having abandoned the site.

4. Senator GUGGENHEIM, on May 15, 1908, on the floor of the Senate, by his objections destroyed the Alaska Terminal & Navigation Co.'s attempt to purchase 640 acres on the south end of Kanak Island, Controller Bay, where the President, on October 28, 1910, opened 12,800 acres for the Controller Railway & Navigation Co.

5. On June 21, 1910, Senator CLARK introduced their bill, S. 8797, to secure a private ownership of the harbor of Cordova and the passes leading to that harbor, which would have given to the Alaska Syndicate a monopoly of that gateway to Alaska and the Cunningham coal fields.

6. On June 23, 1910, some one not named on the bill introduced S. 6316, to relieve the Alaska Syndicate from taxation for 10 years on its railway and railway property.

7. On October 28, 1910, the President opened 12,800 acres on Controller Bay to their location.

8. On January 7, 1911, the bills to enable them to secure private ownership by congressional grant of the harbor on Controller Bay were first introduced, and they are now locating and entering the lands on a harbor where they have practically, though not technically nor legally, a monopoly.

My purpose has been to show you how the Alaska Syndicate has driven every competitor out of the region around the Bering River (Cunningham) coal fields and has attempted by congressional grants to monopolize and secure the only harbor and routes out of which these immensely valuable coal fields can reach the sea and the consumers. If I had not stood practically alone and unaided at my post, they would have succeeded, not because Congress is corrupt, but because it is ignorant. I have been denounced by the Alaska Syndicate's hired publicity bureau and refused to be received by the President; the administration refuses to accord me any recognition, and my recommendation of any man for appointment in Alaska is sure to result in his defeat. The President sent a letter to Alaska, and it was published in the Guggenheim papers, and its publication paid for out of a corruption fund such as we never heard of in Alaska before, to prevent my reelection. No Senator but those friendly to the big interests takes any interest in Alaska matters, and I am practically powerless. I am willing to fight and pay the penalty therefor. The Guggenheims have not secured the private ownership of Alaska's gateways, but the burden is too heavy for a mere Delegate from a Territory—the burden of fighting to save his Territory from oppression and exploitation by the greatest money power in the world. I want help, and I want assistance of one or more Senators who are not afraid to fight for the right and the true development of Alaska for Alaskans. Finally, while the Alaska Syndicate was attempting to drive out all comers and secure a complete monopoly of the great Copper River gateway and harbors, they were attempting by the Beveridge bill to secure the appointment by the President of a legislative commission and the passage of an extraordinary railroad commission bill to secure control of its government and a guarantee upon their bonds. That bill alone was worth \$50,000,000 to them.

I attach hereto a copy of three letters which I wrote to Secretary of War Dickinson in January and February, 1910, which will give you a brief though correct idea of what those two tremendously important bills meant. No such persistent and far-reaching attempts have ever been made, brazenly and without shame, to enslave an empire and to monopolize its resources, its ports, harbors, and transportation. When you realize that this great syndicate is the Smelting Trust and owns the Selby smelter at San Francisco, the Tacoma and Everett smelters on Puget Sound, all the smelters for copper and other ores on the Pacific coast, owns all the copper mines in Alaska, all the railroads in Alaska, and 90 per cent of all the steamers running to and from Alaska, and is able to control its present appointive government, you can begin to appreciate, as I do, its tremendous power.

Very truly, yours,

JAMES WICKERSHAM,
Delegate from Alaska.

To Hon. R. M. LA FOLLETTE,
United States Senate.

EXHIBIT A.

THE COPPER RIVER AND NORTHWESTERN RAILWAY IN ALASKA.

(Statement of John N. Steele, Esq., of New York.)

Mr. STEELE. Mr. Chairman, I was asked to bring a statement regarding the railroad, the amount of money expended on it, and an itemized statement of the amount it had expended in maintenance and operation since it had been running, and the amount received from freight and passengers; also a statement showing the lands which were owned by the railroad. I have also other information in case the committee should desire it.

The first statement, of which I will give the committee a synopsis and then file it with the committee, is a statement signed by Mr. Eccles, president of the Copper River & Northwestern Railway Co., and attested by Mr. Bennett, as secretary. It is dated February 14, 1911, and I will insert it in the record. It is as follows:

NEW YORK CITY, February 14, 1911.

I hereby certify that the revenue and operating expenses of the Copper River & Northwestern Railway Co. are stated in accordance with the classification of revenue and operating expense accounts for small carriers as prescribed by the Interstate Commerce Commission. Further, that the expenses to December 31, 1910, were, since August 1, 1909:

Maintenance of way and structure	\$101,181.83
Maintenance of equipment	47,151.41
Traffic expenses	3,201.56
Transportation expenses:	
Fuel for locomotives	\$77,654.06
Other transportation expenses	99,702.10
General expenses	177,356.16
	682.24
Total	329,573.20
Expenses prior to Aug. 1, 1909, for which classified statement is not on file in New York	38,436.54
	368,009.74
License expense	10,591.65
	378,601.39

The earnings and operating expenses being more particularly described as follows:

Revenue from operations:	
Freight traffic	\$78,626.09
Passenger traffic	68,073.25
Switching	589.33
Wharf earnings	18,476.50
Express earnings	116.50
Miscellaneous	168.38
Total	166,050.05

Operating expenses:	
Maintenance of way and structures—	
Superintendence	\$2,928.20
Roadway and track	84,894.88
Track structures	6,668.08
Buildings, docks, wharves	4,524.95
Other expenses	2,165.72
Total	101,181.83

Maintenance of equipment—	
Superintendence	1,633.10
Locomotive repairs	12,972.25
Car repairs	27,433.80
Work equipment repairs	4,859.18
Other expenses	253.08
Total	47,151.41

Traffic expenses	3,201.56
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Transportation expenses:	
Superintendence	11,683.59
Station service	16,978.26
Yard engineers	10,927.24
Other yard employees	12,461.05
Fuel for yard locomotives	44,831.50
All other yard expenses	5,356.20
Road engineers	8,367.08
Fuel for road locomotives	32,822.56
Other locomotive (road) supplies and expenses	3,532.57
Road trainmen	8,817.37
Train supplies and expenses	2,479.61
Loss and damage	46.98
Other casualties	669.23
All other transportation expenses	18,382.92
Total	177,356.18

General expenses:	
Administration	670.24
Other general expenses	12.00
Expenses previous to July 29, 1909	38,436.54

Total expenses, except license	368,009.74
License	10,591.65

Total expenses, including license	378,601.39
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[SEAL.] S. W. ECCLES,
President Copper River & Northwestern Railway Co.

Attest: W. E. BENNETT, Secretary.

I was also requested to have a statement made up of the amounts expended year by year, and the interest, first calculated as simple interest, second as compound interest. The statement referred to is as follows:

COPPER RIVER & NORTHWESTERN RAILWAY CO.,
New York, February 14, 1911.

I hereby certify that the total cash expenditures by the Alaska Syndicate for its railway ventures in Alaska to December 31, 1910, is as follows:

Account original Valdez & Katalla Line	\$1,625,509.03
Account Copper River Line	14,838,889.69
	16,464,398.72

Divided by years as follows:

Years.	Principal.	Interest at 5 per cent to Dec. 31, 1910.	
		Simple.	Compound.
1906	\$159,000.00	\$33,787	\$36,681
1907	2,606,040.25	423,431	448,487
1908	2,892,471.77	325,403	336,340
1909	5,018,747.44	313,671	316,808
1910	5,788,139.26	72,351	72,351
Total	16,464,398.72	1,168,693	1,210,667

The interest above is figured on the basis of the annual expenditures being paid as of October 1, that being an average date approximately correct.

F. W. HILLS, Comptroller.

This interest was calculated at 5 per cent; why, I do not know. It was not calculated at 6, which is the ordinary legal rate, but at 5. The interest is figured on the basis of the annual expenditures being paid as of October 1, that being an average date approximately correct. So that, aside from the nearly sixteen and one-half millions spent up to December 31, 1910, the simple interest on the amounts was \$1,168,693; the operating expenses were \$378,601.39, and the road has received as revenues \$166,050.05. So that there would be about

\$1,500,000 for interest and operating expenses, and the revenues, \$166,050, up to December 31, 1910.

Then I have here a certificate from Mr. Eccles, as president of the Copper River & Northwestern Railway Co., as follows:

COPPER RIVER & NORTHWESTERN RAILWAY CO.,
New York, February 14, 1911.

I hereby certify that the land interests of the Alaska syndicate in Alaska, having relation directly or remotely to the railroad project of the Copper River & Northwestern Railway Co., are as follows:

139 lots and 2 buildings at Cordova, assessed for taxation at, \$107,050
Right of way within Cordova limits, assessed at, 15,000

Thirteen-acre tract within Cordova limits not assessed because owners allow it to be used by the city hospital.

	Aces.
1. Terminal tract at Katalla	40.00
2. Katalla Station grounds	11.53
3. Station grounds near milepost 7, on Mirror Slough	5.70
4. Stone placer claim at Katalla	60.00
5. United States survey No. 883, at Katalla	32.26
6. United States survey No. 885, at Katalla	83.00
7. Station grounds at Tasnuna	20.00
8. United States survey No. 838, at Katalla	43.63
9. Terminal ground (tract A), Cordova	23.158
10. Terminal ground (tract B), Cordova	14.868
11. Station grounds (tract A), Cordova	8.332
12. Station grounds (tract B), Cordova	5.745
13. United States survey No. 251, at Eyak Cove	9.91
14. United States survey No. 827, near Eyak Lake	66.79
15. United States survey No. 828, near Cordova	13.19
16. United States survey No. 829, near Cordova	39.98
17. United States survey No. 830, on Spike Island	8.49
18. United States survey No. 100, at Cordova	10.27
19. Junction grounds, mile No. 39	40.00
20. Station ground between miles 34 and 44	20.00

Most of the above surveys, except the terminal, junction, and station grounds, are soldiers' additional homestead locations, and all the tracts, with the exceptions mentioned, represent locations of the public lands for which legal consideration passed to the United States and were not grants for the benefit of the railroad enterprises referred to.

I further certify that said properties have been acquired for the purposes of the operations of the Copper River & Northwestern Railway Co. for buildings, yards, hospital, and other railroad purposes.

I further certify that besides the license tax for operating our railroad the company pays 10 cents per ton on all commercial freight passing over the dock at Cordova. This, in 1908, was \$970, and in 1909, \$882. The amount for 1910 has not yet been advised to me. The company also pays the license tax for boarding house.

I further certify, on information, that no city taxes have heretofore been exacted on property at Cordova, for the reason that the saloon licenses have been sufficient to cover all the town's expenses.

[SEAL.]

S. W. EULES,
President of Copper River & Northwestern Railway Co.

Attest:

S. E. BENNETT, Secretary.

That is the statement with regard to the railroad, the cost of its construction, the interest on it, and the lands which are owned in connection with it. I would like also to state to this committee that every dollar of this money has been furnished by these people individually. There has not been one bond or one share of stock sold to the public. They furnished the money out of their own pockets.

Mr. Good. You refer to the Alaska syndicate; what is the Alaska syndicate?

Mr. STEELE. The Alaska syndicate was a venture, or an association, formed in the spring or early summer of 1906, by Messrs. John P. Morgan & Co. and certain of the Messrs. Guggenheim. The objects of that syndicate were as follows: It was to purchase, first, a 40 per cent interest in what were known as the Bonanza mines, at that time owned by the Alaska Copper & Coal Co. It also was to purchase a certain stock interest in the Northwestern Commercial Co. It also was to purchase the entire stock interest of the Copper River & Northwestern Railway Co. The Northwestern Commercial Co. at that time was controlled by Mr. John Rosene and his associates. The Copper River & Northwestern Railway Co. was entirely owned by Mr. Rosene and his associates. The syndicate desired to acquire the interest in the Northwestern Commercial Co. for the reason that that company owned all the stock of the Northwestern Steamship Co. The syndicate intended to build the Copper River & Northwestern Railway originally from Valdez over to the Copper River; at that time it was intended merely to build a little narrow-gauge railroad. They desired to have what might be called a complete system of transportation from the Copper River to the United States. The railroad would furnish transportation to Valdez; the Northwestern Steamship Co. would then furnish transportation from Valdez to Seattle or other points. The syndicate would have much preferred to have acquired simply the stock of the Northwestern Steamship Co., if it could have done so, because it did not care to have any interest in the commercial ventures in which the Northwestern Commercial Co. was engaged. But it could not get the stock of the Northwestern Steamship Co., and therefore it bought, I think, about 46 or 47 per cent of the stock of the Northwestern Commercial Co. from Mr. John Rosene and his associates.

Mr. Good. So, then, the Alaska syndicate owns the Northwestern Commercial Co., which in turn owns the Northwestern Steamship Co., and it also owns the controlling stock in this Copper River & Northwestern Railway Co.?

Mr. STEELE. That is not exactly accurate. It owns about 46 or 47 per cent of the stock of the Northwestern Commercial Co., which owned all the stock of the Northwestern Steamship Co. The Northwestern Steamship Co., I think, about the 1st of January, 1908, was consolidated with the Alaska Steamship Co., which had been owned by Capt. Peabody and his associates. They were merged into a company called the Alaska Steamship Co. The boats of the Northwestern Steamship Co. were appraised and the boats of Capt. Peabody's company were appraised, and then this new company was formed, with a capital of \$2,500,000. Capt. Peabody and his associates received \$450,000 in cash and 18 per cent of the stock of the new company for the boats which had been owned by his company. The Northwestern Commercial Co. received 82 per cent of stock of the new company, for

which 82 per cent it put in all its boats, and also subscribed \$450,000 or \$500,000 in cash. I do not remember exactly whether that was \$450,000 or \$500,000.

Mr. Good. What is the capital stock of the Northwestern Steamship Co.?

Mr. STEELE. I do not remember. But the capital stock of the existing company is \$2,500,000.

Mr. Good. The existing Northwestern Steamship Co.?

Mr. STEELE. Alaska Steamship Co. is its name now.

Mr. Good. Has the Northwestern Steamship Co., then, gone out of existence?

Mr. STEELE. Absolutely.

Mr. Good. And all this property has gone over to the Alaska Steamship Co.?

Mr. STEELE. All this property has gone over to the Alaska Steamship Co.

Mr. Good. You say all of the stock of the Northwestern Steamship Co. is owned by the Northwestern Commercial Co.?

Mr. STEELE. It was; and when the consolidation was effected the Northwestern Commercial Co. received a certain amount of stock of the Alaska Steamship Co., based upon the valuation of its boats, and the Northwestern Commercial Co. also subscribed in cash to the stock of the new company either \$450,000 or \$500,000, and the result was that the Northwestern Commercial Co. now owns 82 per cent of the stock of the Alaska Steamship Co., Capt. Peabody and his associates owning 18 per cent. They were paid, I think, \$450,000 in cash, and the balance in stock.

Mr. Good. Is Capt. Peabody interested in the Alaska syndicate?

Mr. STEELE. No; not in the slightest.

Mr. Good. What property does the Alaska Steamship Co. own in Alaska?

Mr. STEELE. I do not know that it owns any property. I do not know whether it owns its wharves or not. Mr. Law, do you know whether the Alaska Steamship Co. owns its wharves?

Mr. LAW. I have no information about it.

Mr. STEELE. I do not know, Mr. Good. I am inclined to think it does not; but I am not sure of that.

Mr. Good. What does it own in the way of coal and mineral lands in Alaska?

Mr. STEELE. The Alaska Steamship Co.?

Mr. Good. Yes.

Mr. STEELE. Nothing.

Mr. Good. Take the Northwestern Commercial Co.; what is its capital stock?

Mr. STEELE. Three millions of dollars.

Mr. Good. You say about 47 per cent of that is owned by the Alaska Syndicate?

Mr. STEELE. Between 46 and 47; yes.

Mr. Good. Who owns the other 53 per cent?

Mr. STEELE. I think there are some two or three hundred stockholders; possibly more. I could not give you their names.

Mr. Good. Is not a control of the stock either in actual ownership of the Alaska Syndicate or of the individual members of that syndicate?

Mr. STEELE. No; the individual members own none of the stock at all.

Mr. Good. But for all practical purposes they do control the organization and the policy of the company, do they not?

Mr. STEELE. Oh, yes; and I assume that they will, so long as the other stockholders are satisfied with the management and think the company is being properly managed.

Mr. Good. You gave the capital stock of that company?

Mr. STEELE. Three millions; yes.

Mr. Good. In what is that invested?

Mr. STEELE. The Northwestern Commercial Co. has, as its assets, now, the 82 per cent of the stock of the Alaska Steamship Co., which I have already mentioned; it owns the Northwestern Fisheries Co.—I think that is the corporate title of that company; it owned two stores, I think one at Nome and one at Teller. It owned certain stock, I think \$125,000 worth, in what is called the Northwest Development Co. I think, although of this I am not quite positive, that it had some very little interest in some lighterage company called the North Coast Lighterage Co., operating, I believe, at Nome; but of that I am not positive.

Mr. Good. What, in turn, is the business of these subsidiary companies?

Mr. STEELE. These two stores, as I understand, were general mercantile stores. Since we have been in control of the Northwestern Commercial Co. we have been trying to close them out and to get rid of them—reduce the stock—and we hope to get rid of them as soon as we can find anybody to buy them.

Mr. Good. What is the business of the Northwest Development Co.?

Mr. STEELE. The Northwest Development Co. is the company which built a railroad on the Seward Peninsula, which, I think, was called the Wild Goose Road. The Northwestern Commercial Co. became interested in it through Mr. Rosene, who, without any authority from his executive committee or board of directors, subscribed to \$250,000 worth of the stock, and paid \$125,000 before his board knew anything about it.

As soon as this was ascertained, the board repudiated his subscription and so notified the Northwest Development Co. That company, I may say, was reorganized about two years ago. It had, as its assets, this railroad of about, I think, 80 miles, which was just laid on the tundra. It had a half interest, I think about \$50,000 of stock, in an electric light and power company in Nome. It owned certain claims in the Kongarok mining district. I do not remember whether this company was put in the hands of receivers or not; but it had to be reorganized, and was reorganized some two years ago, nearly all of the stock being owned by English capital. The company owed, if I remember, \$250,000, and the only asset they had of any value, to our mind, was about \$50,000 worth of the stock of this Nome Electric Light & Power Co. Their plan of reorganization was to issue something like a million and a quarter of securities and raise about \$255,000. We did not think well of it, and the Commercial Co. declined to go into the reorganization. The result of it is that the preferred stock which the Commercial Co. owns—\$125,000 worth of preferred stock—is probably not worth anything; in fact, it is to a certain extent a liability, because the Development Co. has now brought suit against the Commercial Co. to compel it to pay the \$125,000 on account of the stock which had been subscribed by Mr. Rosene (who was then its president) without the authority of the executive committee or board of directors, as I have already stated.

Mr. Good. Does this Northwest Development Co. have any subsidiary companies? Does it own any stock in any other company?

Mr. STEELE. I do not think so.

Mr. GOOD. How about the Fisheries Co.? Do they own any stock or have they any subsidiary companies?

Mr. STEELE. No; I have the precise statement of the company of last year. I could not get it of this year, because I had no time. The Northwestern Fisheries Co. owns and operates 12 canneries, the total pack of which is about 300,000 cases. There are in Alaska 28 other canneries, the total pack of which is approximately 2,000,000 cases. The entire pack of all the Alaskan canneries amounts to approximately 2,300,000 cases, and the pack of the Northwestern Fisheries Co. is therefore a little more than one-eighth of the entire pack. This is information which we obtained last February. I think it was, and I only got to New York Tuesday morning, so I had no time to look up the reports for this last year. But I assume the proportions are about the same.

Mr. GOOD. Then, as I understand you, Mr. Steele, the Alaska Syndicate owns 46 or 47 per cent of the stock of the Northwestern Commercial Co.

Mr. STEELE. Yes.

Mr. GOOD. The Northwestern Commercial in turn owns the stock in a company formerly known as the Northwestern Steamship Co., now called the Alaska Steamship Co.

Mr. STEELE. Yes; it owns 82 per cent of that stock.

Mr. GOOD. And the Alaska Steamship Co. owns the stock of the Northwestern Fisheries Co.?

Mr. STEELE. No; that is owned by the Northwestern Commercial Co. The Alaska Steamship Co. owns no stock of any kind.

Mr. GOOD. The Northwestern Commercial?

Mr. STEELE. The Northwestern Commercial Co. owns the entire stock.

Mr. GOOD. And that owns stock in some cannery companies in Alaska?

Mr. STEELE. No; I do not think so.

Mr. GOOD. It owns the canneries?

Mr. STEELE. Those canneries are owned directly, as I understand it, by the Northwestern Fisheries Co.

Mr. GOOD. And also owns stock in the Northwest Development Co.?

Mr. STEELE. The Northwestern Commercial Co. owns \$125,000 worth of what was at one time preferred stock in the Northwestern Development Co.

Mr. GOOD. I would like to know what stock, in addition to this, the Alaska syndicate, or the Northwestern Steamship Co., or the Alaska Steamship Co., or the Northwestern Fisheries, or the Northwest Development Co. owns in any other company?

Mr. STEELE. I would like to get this clear in your mind, that, so far as the Northwest Development Co. is concerned, we have nothing to do with it in any way, shape, or form, except that the Northwestern Commercial Co. owns this \$125,000 of what was preferred stock at the time it was bought. The Northwestern Commercial Co. owns nothing more, so far as I know. The Alaska Steamship Co. owns nothing more. The Alaska syndicate does own two copper mines in Alaska; at least, it owns one and has an interest in the other. In the fall of 1906 the Alaska syndicate bought from the Alaska Copper & Coal Co., which was the corporation which owned the Bonanza Mines, a 40 per cent interest, for which it paid \$1,000,000. It continued to hold that 40 per cent interest until in May, 1909, I think it was, when it bought from the owners the remaining 60 per cent, for which it paid two millions of dollars. So that in May, 1909, or about that date—I am not sure that is the exact date—the Alaska syndicate had paid the owners of the Bonanza Mines \$3,000,000, and the Alaska syndicate then owned those mines absolutely. In last July, I think it was, the syndicate acquired an interest in what are known as the Beatson Copper Mines on Latouche Island in Prince William Sound.

The syndicate put up the money to work the mines and to develop them, and the owners of the property took, I think, about \$600,000 or \$650,000 in first-mortgage bonds on the property. I am not absolutely accurate about these figures, Mr. Good, but they are very close to it. The syndicate got, as I remember, two-thirds of the stock, and the owners one-third of the stock, of the Beatson Copper Co. That company was formed to take over these properties from the owners, Mr. Beatson having been the chief owner of those properties, and the man who had operated them. The mortgage securing the bonds provides that all proceeds received from the sale of the copper produced, after the payment of the operating expenses, shall be turned over to the trustee under the mortgage for the purpose of paying off the bonds, so that the stock will not get any dividends and will not be entitled to any dividends at all until the bonds have all been paid off.

Mr. GOOD. The Alaska syndicate is a partnership, I understand?

Mr. STEELE. I suppose you would call it a partnership.

Mr. GOOD. Who are the individual members who compose this co-partnership?

Mr. STEELE. It is the firm of J. P. Morgan & Co. and Mr. Daniel Guggenheim, Mr. Murray Guggenheim, Mr. S. R. Guggenheim, and Mr. Simon Guggenheim. He was one of those who originally signed it. Whether he now has any interest or not I do not know.

Mr. GOOD. Who are the individual members of the firm of J. P. Morgan & Co.?

Mr. STEELE. I can tell you some of them, but I do not know all. There is Mr. J. P. Morgan, sr., and Mr. J. P. Morgan, jr.; Mr. Hamilton; Mr. Steele, my brother; Mr. Davidson; Mr. Lamont; and Mr. Porter. Mr. Perkins and Mr. Whitney have resigned recently. There may be others, but I know those are some of them.

Mr. GOOD. I understood you to say that all the stock of this Copper River & Northwestern Railway Co. is owned by the Alaska syndicate.

Mr. STEELE. Yes.

Mr. GOOD. What interest does this corporation—the Copper River & Northwestern Railway Co., or any of these other corporations in which the Alaska syndicate is in any way directly or indirectly financially interested—have in what are known as the Cunningham coal claims, either as actual owners or by way of options?

Mr. STEELE. I can answer that question now. I was asked that question before the investigating committee last winter by Mr. Madison, a member of the committee, and also by Mr. Vertrees, counsel for Mr. Secretary Ballinger, and at my request I was excused from answering. I was simply the counsel of the syndicate, and I had no authority at that time to express my views about it at all. When I went back they told me they would not have had the slightest objection to my saying what I thought. I would say, then, Mr. Chairman and gentlemen of the committee, that in July, 1907, there was an option agreement given by Mr. Clarence Cunningham, Gov. Moore, and Mr. Campbell, I believe, purporting to act as a committee for what are known as the Cunningham coal claimants, amounting altogether to about 33 in number. When that option agreement reached me in New York, together with a letter from Judge Lindley, who assisted in pre-

paring it, I reached the conclusion, which I have never changed since, that it was not a legal or binding agreement in any sense of the word. It was not an agreement that could be specifically enforced; it was not an agreement that could be legally enforced in any way whatsoever. The agreement, after reciting that the claims of these gentlemen—the 33 claimants—had passed to final entry, and they had received receivers' certificates, recites on its face that this committee was appointed simply to negotiate.

Mr. LLOYD. Have you a copy of that agreement?

Mr. STEELE. I have it here in printed form, Mr. Chairman. I would like also, so that you gentlemen can see it, to offer it. I do not think there will be any difference at all among those of us who are lawyers as to the effect of this.

Mr. GOOD. I suppose you have no objection to having that printed as a part of your remarks?

Mr. STEELE. Not at all; and if I had had the time I would have had a copy made. But I thought I could bring this more simply. May I read just a little of this?

Mr. LLOYD. Proceed.

Mr. STEELE. I do not wish to tire you, but since I have been asked the question, I would like, with your permission, to answer it. The agreement—or option, as I should call it—after reciting the parties who are going to execute it and stating that these parties, together with 30 others, have acquired, by purchase, from the Government of the United States, 33 tracts of the coal lands, of 160 acres each, and that the title to these lands rest in final United States receivers' certificates of entry, one to each of said 33 persons, goes on to say: "A meeting of said entrymen was recently held at the city of Spokane, in which 25 out of the 33 participated. At said meeting a resolution was unanimously passed authorizing said committee, or a majority of them, to enter into negotiations with parties with a view to the equipment, development, and operation of the consolidated property and the sale of its product."

That is recited on the face of the agreement, that the only authority these three gentlemen had was to enter into negotiations. Judge Lindley, a very eminent lawyer of San Francisco, happened to be at Salt Lake, where this option agreement was drawn up, at that time. Judge Lindley is counsel of the Nevada Northern Railway and also the counsel of the Nevada Consolidated Co., and Mr. Eccles goes west in the summer, and it is a habit for them to meet at Salt Lake City and discuss matters relating to these two corporations. That is how Judge Lindley happened to have anything to do with it. He is not the counsel for the Alaska syndicate, and has never had anything to do with it except this particular thing. On the same day that this option agreement was executed by Messrs. Cunningham, Moore, and Campbell, Judge Lindley wrote this letter to Mr. Eccles:

"MY DEAR SIR: In submitting to Mr. Guggenheim the proposal of the committee of coal-land owners framed after conference with the interested parties and signed to-day, it may be advisable to explain the embarrassments surrounding the attempt to obtain presently anything in the nature of an option which would bind the property or enable him to enforce a specific performance. Prior to formal entry a coal-land claimant is not permitted to make any contract whatsoever as to its future disposition. After entry he may do so, and if patents subsequently issue his assignee is protected. In the present instance there are 33 factors, with 33 minds of their own. They themselves have appreciated the difficulty in securing concerted action and have devised the plan of conveying to a trust company whose action is to follow instructions from a committee.

"Messrs. Campbell, Cunningham, and Moore think that their action taken at the conference here will be ratified by practically all of the entrymen. Should there be any dissent by any of the owners, the effect their nonparticipation will have on the venture will depend on the relative situation of their respective holdings in the composite and the position which they occupy with reference to the general plan of mine development."

Without reading this further, you will see there it was stated frankly by the gentlemen who gave that option that it would have to be ratified by their associates. It was not so ratified, and therefore there was really never any offer made by those coal claimants which was accepted by us. This whole thing depended upon its being ratified by the individual entrymen. That ratification was never given, and therefore there never was any legal or binding agreement at all. I have never considered that as anything more than imposing upon the gentlemen who signed it a moral obligation to endeavor in good faith to procure the assent of their coalclaimants.

Mr. WICKERSHAM. In your testimony before the Senate committee this took place:

"The CHAIRMAN. Of course, what you relied upon would be important to you; but the point was that you gave an opinion that the thing was legal.

"Mr. STEELE. We did give the opinion that the transaction was perfectly legal, since their claims had passed to final entry; that then they had the right, under the decisions of the Supreme Court in *Myers v. Croft*, in *United States v. Detroit Lumber Co.*, in *200 United States*."

Did you not give that answer at that time?

Mr. STEELE. Oh, yes.

Mr. WICKERSHAM. Did not that refer to this exact proposition?

Mr. STEELE. It did not; it did not refer to it in the slightest. That referred solely as to whether or not the entrymen, at that stage of their title, had the right to make an agreement. It did not refer in any way to the validity of this option agreement, or as to whether it could be enforced in any way.

I would like to say this, Mr. Chairman, that neither this Alaska syndicate nor any company in which it is interested has a single foot or inch of any coal land in Alaska.

Mr. HUMPHREYS. The Alaska syndicate, did you say?

Mr. STEELE. The Alaska syndicate. The only thing it ever had was this option agreement to which I have just referred, and that has never been carried out. It was an agreement which we never attempted to enforce because, among other reasons, we knew we could not enforce it.

Mr. Candler. You say that the Alaska syndicate does not own any coal land. Do any of the individual members comprising the Alaska syndicate own coal lands in Alaska?

Mr. STEELE. They do not.

Mr. Candler. None at all?

Mr. STEELE. None at all.

Mr. WICKERSHAM. Do they not have any mortgages on coal land?

Mr. STEELE. No.

(Thereupon, at 11.05 o'clock a. m., the committee adjourned until tomorrow, Thursday, February 16, 1911, at 10 o'clock a. m.)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE TERRITORIES,
Thursday, February 16, 1911.

The committee this day met, Hon. Ralph D. Cole presiding.
Mr. COLE. Although there is not a quorum present, we will proceed with the hearing.

STATEMENT OF MR. JOHN N. STEELE—CONTINUED.

Mr. GOOD. Mr. Steele, I would like to have you explain what your connection is with the Alaska syndicate and also with the Copper River & Northwestern Railway Co.

Mr. STEELE. General counsel.

Mr. GOOD. You have nothing to do with the carrying on of the correspondence, then, or of the business, of either of these concerns?

Mr. STEELE. No.

Mr. GOOD. You do not know, then, as a matter of fact, whether this agreement with reference to the Cunningham claims has been changed or whether there have been letters written by members of this syndicate or by officers of the road enlarging that agreement or extending it, or even carrying it out?

Mr. STEELE. I would know all about that.

Mr. GOOD. Well, they might write letters without your knowing it?

Mr. STEELE. No; I do not think they would do anything without consulting me about it.

Mr. GOOD. That is just a conclusion you have drawn from your association with the company?

Mr. STEELE. Well, I know that I am consulted about all important matters, and I was consulted about this Cunningham agreement.

Mr. GOOD. But the Alaska syndicate, knowing they would send you before this committee, if they desired to carry that agreement into effect, or even to give it some force and effect, would not likely say anything to you about it, but they would go ahead, independent of any counsel with you, and make their arrangements, would they not?

Mr. STEELE. No; they never would have done a thing regarding that Cunningham agreement without consulting me and without having consulted Mr. Francis Lynde Stetson, of the New York bar.

Mr. GOOD. But it is, of course, probable they have written letters or entered into further agreements without your knowledge?

Mr. STEELE. It is not at all probable; in fact, I am absolutely positive they have not. May I say one word about that agreement before you leave it, Mr. Good?

Mr. GOOD. Certainly.

Mr. STEELE. I wish to say that so far as the position of the Alaska syndicate is concerned in regard to that, while it has never been considered by us as a legal agreement, or a binding agreement, or an agreement of any kind, we have always been prepared, and are now prepared, to live up to our part of it if it should ever come to that point.

Mr. GOOD. You are building this road, however, to the Cunningham coal claims, are you not?

Mr. STEELE. No.

Mr. GOOD. How far will the Cunningham claims be removed from the nearest point of this railroad?

Mr. STEELE. I can tell you exactly about that, Mr. Good. It was reported in a letter written by Mr. Eccles to the Commissioner of the Land Office, in the report which was made regarding the Copper River & Northwestern Railway, the report being made on December 14, 1908.

Mr. WICKERSHAM. From what page are you reading?

Mr. STEELE. I am reading from page 2260 of No. 24 of the hearings before the Committee to Investigate the Interior Department and Forestry Service. That letter I should also say was accompanied by a very full and exhaustive report from Mr. Hawkins, the chief engineer of the company, which was filed with the Commissioner of the Land Office, together with maps and photographs of the road. I am reading now from page 2261:

"The construction of the Copper River Railway from Cordova, and of the Copper River & Northwestern Railway from Katalla to a junction on the east side of the Copper River, and from Katalla to the Bering River coal fields (the whole of which latter route had been surveyed, several miles constructed, and quite a large part graded), was being proceeded with with all possible dispatch when we were informed that the coal locators in the Bering River fields were having difficulty in securing patents to their locations, and that it was a matter of grave uncertainty whether they would secure the same and be in a position to develop their properties and have coal for transportation. After mature consideration it was determined it would be unwise to expend the large sum of money necessary for the completion of the railway to the Bering River coal field before we could have some reasonable assurance that the coal locators in that field would secure their patents and be in a position to develop their properties, since the completion of the road would not only have required the expenditure of large sums of money, but the road, when completed, if idle, would have rapidly deteriorated, and if the development of the coal properties should be delayed for some years the road in all probability would have to be practically rebuilt.

Now, we were proceeding with all possible dispatch in the construction of that road in the year 1907, when, in the early part of the winter, I think of 1908, questions arose regarding these coal claims, and then it was we determined we would suspend the building of that road until those matters should be settled. So we have since that time done nothing at all toward the completion or further construction of that part of the road.

Mr. GOOD. It is evident, then, that it is the intention of the Alaska Syndicate, or of this Copper River & Northwestern Railway Co., to commence building that line to the Cunningham claims as soon as those claims are patented?

Mr. STEELE. As soon as those claims or any other claims up there are patented and the owners are ready to go on with the development of the coal fields.

Mr. GOOD. Want other coal fields does this road lead to, if any?

Mr. STEELE. It does not lead directly to any. It is a long way from the Matanuska coal fields, and it has not been our intention to go into those fields. Those coal fields are reached more nearly by the Alaska Northern, I think is its name now.

Mr. HUMPHREYS. Can you indicate there on the map?

Mr. STEELE. They are up about here, and our road is up here [indicating on map]. The Copper River road intends to go up toward Fairbanks eventually. We have no intention of building over to the Matanuska coal claims.

Mr. HUMPHREYS. Where are the coal claims located?

Mr. STEELE. They are here, right up about there [indicating on map].

Mr. HUMPHREYS. How far from the coast?

Mr. STEELE. Well, I think if you go in a direct line they are about 18 or 20 miles; it is about 30 miles from Katalla, this point here [indicating].

Mr. HUMPHREYS. How were you going to get to them with your railroad?

Mr. STEELE. You see we come from Cordova and across the Copper River just about here [indicating], and then we were going to go from there up to the coal fields.

Mr. HUMPHREYS. How far have you built?

Mr. STEELE. Well, our road is built there [indicating] and then goes up about 155 miles.

Mr. HUMPHREYS. You did not cross the river?

Mr. STEELE. Yes; we have crossed it twice; we had to cross it twice and had to build two large steel bridges costing about a million dollars each.

Mr. COLE. You have 25 miles yet to build in order to get to the Cunningham claims?

Mr. STEELE. No; about 50 miles. We have to build from this point here [indicating], where the road crosses the Copper River, and then up to the Bering River coal fields.

Mr. HOUSTON. Did you start to build the road up toward the Cunningham claims?

Mr. STEELE. Yes; it has all been surveyed.

Mr. HOUSTON. When did you begin?

Mr. STEELE. In 1907.

Mr. HOUSTON. When did you stop?

Mr. STEELE. We stopped in 1908, or, rather, the work actually stopped in the fall of 1907, when the season closed, and we did not resume it when the season opened up.

Mr. HOUSTON. Why did you not resume?

Mr. STEELE. Because of the troubles which arose regarding these coal claims; we did not know whether anybody was going to have any titles up there and have any rights there, and we therefore determined that we would suspend construction on that portion of the road until somebody got titles in the Bering River coal fields, and should be in a position to develop the properties and give us coal to haul.

Mr. HUMPHREYS. Are the Cunningham claims located in that Bering River coal field?

Mr. STEELE. They are in there; yes, sir.

Mr. HUMPHREYS. The Bonanza Mine was owned by the Guggenheims?

Mr. STEELE. It is owned by the Alaska Syndicate. Originally it was owned by the Alaska Copper & Coal Co. In 1906 we bought a 40 per cent interest in it, and in May, 1909, we bought the remaining 60 per cent; so it is owned entirely by the syndicate.

Mr. GOOD. How many miles of the road did you say had been completed?

Mr. LAW. One hundred and forty-six have been completed; that is, up to October. Whether any has been constructed since I am not advised.

Mr. GOOD. In these figures that you have given with regard to receipts and expenditures the amount of freight carried by the road for the purpose of constructing the road is not included?

Mr. STEELE. No, sir.

Mr. GOOD. That would necessarily be quite large, would it not?

Mr. STEELE. That would, of course, amount to something, but how much I do not know; I suppose it would amount to fully as much as this other; possibly more.

Mr. WICKERSHAM. You were before the Ballinger-Pinchot investigating committee on March 26, 1910, and testified, according to the record?

Mr. STEELE. I do not remember the date, but I was before that committee.

Mr. WICKERSHAM. The chairman there asked you:

"That being true, could you not have gotten much speedier action by simply admitting the jurisdiction of the Interstate Commerce Commission rather than to have this legal contest?"

And you answered:

"Mr. STEELE. There is really no action required by us. Our road is not being operated except for the transportation of our own material, and I think they take some people in, but they take them in free."

Is that correct?

Mr. STEELE. Well, let me look at this report; my statement was correct, as far as my information went at that time. This report is, of course, correct, and I was mistaken. They did take a great many people in free since August 1, 1909; it seems to me they began in 1909; how much of this was before that time and how much was in this last season of 1910 I can not tell you.

Mr. LLOYD. Since 1909, then, according to your understanding of this matter, they have carried passengers free—I mean, some passengers free?

Mr. STEELE. I have understood so; yes. People up there on trips and visiting the country.

Mr. LLOYD. Then that statement would not be a fair statement to the committee as to the receipts and expenditures, would it, if they voluntarily carried people in free?

Mr. STEELE. Well, it would not, of course, include what revenue might have been derived from those people carried free.

Mr. LLOYD. If you had carried everything free, of course, there would have been no receipts?

Mr. STEELE. None whatever.

Mr. LLOYD. And if you had charged full price for everything that was carried you have no idea how much it would have amounted to?

Mr. STEELE. No; but when people of more or less prominence went up there I think they were carried free, and I suppose that was in the season of 1909. You see this statement begins August 1, 1909, and the season there closes on, I think, about the 1st of October.

Mr. WICKERSHAM. Mr. Steele, this road is now in process of construction, is it not?

Mr. STEELE. It is. I do not know that any work is actually being done at this time.

Mr. WICKERSHAM. I mean it is not completed, and during the season it is under construction?

Mr. STEELE. Yes.

Mr. WICKERSHAM. You are hauling your construction trains up and down there, with your men and material all the time, are you not?

Mr. STEELE. I assume so, although I do not think very much work is being done at this season.

Mr. WICKERSHAM. Well, during the season they are constructing the road all the time and building bridges, and such people as go through are those that go up into that same country; is that not true?

Mr. STEELE. I do not quite understand your question.

Mr. WICKERSHAM. I say, such people as are carried are such people as are going up into the country where you are building the road?

Mr. STEELE. I assume so.
Mr. WICKERSHAM. And it was not until last fall that you carried the mails over that road?

Mr. STEELE. I can not give you the exact date.
Mr. WICKERSHAM. Do you not know it was about November when you began to carry the mails over the road?

Mr. STEELE. I can not give you the date. Mr. Law says that is about correct.

Mr. WICKERSHAM. Do you not know it was about November, for the first time, that the roads from the interior were connected with your road so the interior people could come over?

Mr. STEELE. I know nothing about that.

Mr. LAW. I think that was in November.
Mr. WICKERSHAM. Well, November or December. That is the first time that people from the interior had gone over your road to any extent?

Mr. STEELE. I have no information about that.
Mr. LAW. Will you pardon me a moment? I can not say as to that, but I can only say as to the postal work, that that began about November.

Mr. WICKERSHAM. Do you not know that the Chitina cut-off was just completed this last fall to connect with the Valdez and Fairbanks road at Copper Center?

Mr. LAW. I have understood that; yes, sir.

Mr. WICKERSHAM. So the road is practically conducted for construction purposes and not for business purposes. Is that not correct?

Mr. STEELE. I can only tell you what I see here in this report made by Mr. Eccles.

Mr. WICKERSHAM. You do not know anything of your own personal knowledge?

Mr. STEELE. No.
Mr. WICKERSHAM. You are the attorney for the American Smelting & Refining Co.?

Mr. STEELE. Yes.
Mr. WICKERSHAM. And M. Guggenheim Sons?

Mr. STEELE. Yes.
Mr. WICKERSHAM. And the Guggenheim Exploration Co.?

Mr. STEELE. Yes.
Mr. WICKERSHAM. What other companies and corporations are you attorney for in connection with them?

Mr. STEELE. Oh, there are quite a number.

Mr. WICKERSHAM. Well, I mean that have reference to Alaska?

Mr. STEELE. There are not any but those I have mentioned here.

Mr. WICKERSHAM. Where does the American Smelter & Refining Co. do business?

Mr. STEELE. It does business all over the country to a certain extent. It has smelters in Mexico, it has two in Utah, one in Nebraska; it has one at Tacoma, Wash., so far as I remember.

Mr. WICKERSHAM. Mr. Rust is in charge of that smelter?

Mr. STEELE. Yes, sir.

Mr. WICKERSHAM. You own the Selby smelter?

Mr. STEELE. That is owned by the Securities Co.; that is a lead and silver smelter and not a copper smelter.

Mr. WICKERSHAM. But is owned by the same interests?

Mr. STEELE. Yes.

Mr. WICKERSHAM. You own the Everett smelter in Washington?

Mr. STEELE. It did, but that has been shut down.

Mr. WICKERSHAM. Well, they own it anyway?

Mr. STEELE. Yes, sir.

Mr. WICKERSHAM. They own every smelter on the Pacific coast?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. What do they not own?

Mr. STEELE. I am only able to tell you now from what I understand, but the Amalgamated Copper Co. has a very large smelter in California.

Mr. WICKERSHAM. Where?

Mr. STEELE. At Washoe.

Mr. WICKERSHAM. That is in Nevada.

Mr. STEELE. Where is the Mountain Boy smelter?

Mr. WICKERSHAM. That I never heard of.

Mr. STEELE. Well, I can not give you the location, but I have always understood the Amalgamated Copper Co. had a large smelter in California; I can not give it to you exactly.

Mr. WICKERSHAM. But the Selby smelter is the large smelter in that country, is it not?

Mr. STEELE. Well, as far as my information goes; but it is simply a smelter for lead and silver, and not copper.

Mr. WICKERSHAM. The Tacoma smelter is a very large one?

Mr. STEELE. I do not know; I do not think it is a particularly large one.

Mr. WICKERSHAM. Have you never seen it?

Mr. STEELE. No; I do not think it is a very large one.

Mr. WICKERSHAM. That is a copper smelter?

Mr. STEELE. Yes.

Mr. WICKERSHAM. What interests are represented in the American Smelting & Refining Co.; the Guggenheim interests?

Mr. STEELE. It has about 10,000 stockholders.

Mr. WICKERSHAM. But they are in control of it?

Mr. STEELE. Yes, sir.

Mr. WICKERSHAM. Absolutely?

Mr. STEELE. Well, they are absolutely in control so long as the stockholders keep them in control. They do not own a control of the company, if you mean that.

Mr. WICKERSHAM. But they have control of the Tacoma smelter, the Everett smelter, and the Selby smelter.

Mr. STEELE. Yes.

Mr. WICKERSHAM. And of the Beatson copper mines?

Mr. STEELE. No; they have no control.

Mr. WICKERSHAM. But the Alaska Syndicate does have?

Mr. STEELE. Yes, sir. The board of directors of the Beatson Co. is composed, I think, of five, of which the syndicate have three and the other interests two; I think that is the way it is divided.

Mr. WICKERSHAM. The syndicate controls it; that is correct, is it not?

Mr. STEELE. Yes.

Mr. WICKERSHAM. You own the Bonanza copper mines?

Mr. STEELE. Yes.

Mr. WICKERSHAM. You said in your testimony a day or two ago that the Bonanza copper mines were of no great value.

Mr. STEELE. No; I did not. I have a statement I want to make in regard to that, because I was asked a question I could not answer. I was asked about the condition of those mines. Now, I have got the precise information about the Bonanza mines as to their condition at

present, and it is as follows: The present underground working amounts to approximately 1,200 feet, consisting of crosscuts, tunnels, raises, etc. The tramway from the mines to terminus of railroad complete, and most of the buildings necessary for the operation of the mines are nearly complete. The building for the concentrating mill is now in course of construction. The power machinery and machinery for the mill, equipment, etc., will be taken in as soon as practicable after the completion of the railroad to the mine. The estimates of the value of that mine are as follows: The lowest estimate of the net value—I am speaking now of the net value—is a little over \$5,000,000, and the highest estimate was \$6,000,000, a little bit under that.

Mr. WICKERSHAM. Who gave you that statement?

Mr. STEELE. I prepared it myself.

Mr. WICKERSHAM. Were you ever there?

Mr. STEELE. No; but I have seen the reports of the engineers.

Mr. WICKERSHAM. Do you know Mr. Birch?

Mr. STEELE. This information with regard to the present condition I did get from Mr. Birch.

Mr. WICKERSHAM. What do you mean by the net worth of the mines?

Mr. STEELE. It means that if you could get all that copper out now and sell it you would have a profit of from five to six million dollars; that means, after the cost of production.

Mr. WICKERSHAM. Do you know the condition that that copper is in at the Bonanza mines?

Mr. STEELE. No.

Mr. WICKERSHAM. It has slumped down into the valley from the mountain above?

Mr. STEELE. I have always understood it was contained in a large basin; it is a copper which runs very high, something like, I think, from 60 to 70 per cent.

Mr. WICKERSHAM. Mr. Birch is the managing director of that company up there?

Mr. STEELE. Yes.

Mr. WICKERSHAM. He is a mineral expert?

Mr. STEELE. He is a copper-mining engineer.

Mr. WICKERSHAM. He has had charge of this particular work on this particular mine, has he not?

Mr. STEELE. Yes.

Mr. WICKERSHAM. You heard his testimony before the Senate Committee on Territories and before the Ballinger-Pinchot investigating committee?

Mr. STEELE. Yes.

Mr. WICKERSHAM. I call your attention to page 105 of the printed record of the Committee on Territories of the Senate, where he is asked:

"The CHAIRMAN. What did you pay for it?"

Having reference now to the Bonanza mines—

"Mr. BIRCH. We paid something under \$3,000,000 for the property.

"The CHAIRMAN. Something under \$3,000,000. That is a part of the mining properties. Now, what is the other part of the mining properties?"

"Mr. BIRCH. This purchase price included all of the copper properties which the Alaska syndicate owned.

"The CHAIRMAN. Where are the remainder of the copper properties, outside of the Bonanza mine, located?"

"Mr. BIRCH. They are all adjacent.

"The CHAIRMAN. They are all in the immediate vicinity?"

"Mr. BIRCH. Yes, sir.

"The CHAIRMAN. What would you estimate the value of all those copper properties to be?"

"Mr. BIRCH. They have not any value without transportation.

"The CHAIRMAN. I know; but assuming transportation.

"Mr. BIRCH. Are you speaking of the net value?"

"The CHAIRMAN. Well, yes.

"Mr. BIRCH. I had better answer that, Mr. Chairman, by telling you the amount of ore which we have blocked out. It is better than to put any prospective value upon the property. We have blocked out in the neighborhood of \$6,000,000 net—blocked out. The rest is prospective.

"The CHAIRMAN. What would be your judgment as to the value, assuming that you had your railroad built up there, of the whole property, not only what you have blocked out, but as business men dealing with the fair value of the whole thing?"

"Mr. BIRCH. The values that I have given you are only those after we have transportation."

You heard him testify to that?

Mr. STEELE. Yes.

Mr. WICKERSHAM. Now, practically that testimony, but a little different, was given by him before the Ballinger-Pinchot investigating committee:

"Mr. BIRCH. Yes, sir. There is the Bonanza mine, and the Jumbo mine, and the National, and the Excelsior, and the Independence properties. They compose the Kennicott Mines group.

"Senator FRAZIER. And those four you have developed so that there is \$6,000,000 worth of copper in sight?"

"Mr. BIRCH. Yes, sir.

"Senator FRAZIER. Are there any other mines on this property that have been tested or developed at all?"

"Mr. BIRCH. No, sir; except in a general way; but not developed except—

"Senator FRAZIER. Have they been tested to such an extent that you can determine whether there is copper in them or not?"

"Mr. BIRCH. Yes; they show indications on the surface.

"Senator FRAZIER. So that in reality you have only developed a very small proportion of this copper field which your company has acquired there?"

"Mr. BIRCH. Yes, sir.

"Senator FRAZIER. But you have developed enough to know that you have \$6,000,000 worth of copper in sight?"

"Mr. BIRCH. Yes, sir.

"Senator FRAZIER. You are unable to tell what the value of the copper on the remainder is?"

"Mr. BIRCH. Yes, sir.

"Senator FRAZIER. But the indications are that it is very valuable copper property, are they not?"

"Mr. BIRCH. Yes, sir."

You heard him testify to that, did you not?

Mr. STEELE. Yes, sir. And I will say right here, so there shall not be any misunderstanding about it, that so far as the reports of the experts go, upon which we rely, there is nothing to show that there is copper in any of these other properties there. But this particular body of copper is included in a basin, sort of walled in, and they tell me the probabilities are it is not extended; there may be other copper there or there may not be.

Mr. GOOD. As to that statement which you made a moment ago, that all the copper was in this location. Do you mean all the copper in Alaska is in this immediate vicinity?

Mr. STEELE. No; I did not so state. I think copper is scattered all over Alaska; there is a lot all around in that location, within a radius, I should say, of 60 or 100 miles.

Mr. WICKERSHAM. Let me ask you about this basin that you talk about. It is a gulch, is it not, carved out by nature, down into which this copper has fallen from the ledges above?

Mr. STEELE. I do not know.

Mr. WICKERSHAM. Is it not true that the copper down in that gulch is broken and ready, practically, to be put into your trains?

Mr. STEELE. That I can not tell you; I can only tell what the report of the engineer is.

Mr. WICKERSHAM. And the ledges, then, in the mountains above it are large, rich ledges, that extend into the mountains, but you do not know how far?

Mr. STEELE. No; I can only tell you what the report of the engineer is.

Mr. WICKERSHAM. What interest does the American Smelting & Refining Co. have in the Bonanza mines?

Mr. STEELE. None.

Mr. WICKERSHAM. The Bonanza mines are known as Guggenheim mines, though?

Mr. STEELE. Yes.

Mr. WICKERSHAM. They have no interest in it except through the Guggenheims.

Mr. STEELE. The company has no interest in that at all.

Mr. WICKERSHAM. But the Guggenheims have the controlling interest in both?

Mr. STEELE. No.

Mr. WICKERSHAM. And the Beatson mines?

Mr. STEELE. No.

Mr. WICKERSHAM. You do control them, do you not?

Mr. STEELE. The Alaska Syndicate has the controlling interest.

Mr. WICKERSHAM. I beg your pardon. Of course, it is merely twaddledum and twaddleddee?

Mr. STEELE. It is not twaddledum and twaddleddee. The Alaska Syndicate has no interest of any kind in the American Smelting Co.; the Alaska Syndicate owns the Bonanza mines absolutely.

Mr. WICKERSHAM. Does the Alaska Syndicate own the Bonanza mines absolutely?

Mr. STEELE. It does.

Mr. WICKERSHAM. Does not the Guggenheim corporation own them absolutely?

Mr. STEELE. The Alaska Syndicate owns the controlling stock in a large number of other corporations, for instance, in the Copper River Railroad.

Mr. WICKERSHAM. What proportion of that stock do the Guggenheims own?

Mr. STEELE. I could not tell you.

Mr. WICKERSHAM. One-half.

Mr. STEELE. The syndicate has, so far, never made any profits; it has always been spending money.

Mr. WICKERSHAM. I am not asking about profits; I am asking you what proportion of the stock those Guggenheims own.

Mr. STEELE. It has not been separated. The Guggenheims have a one-half interest with the Morgans, but none of these things have ever been separated; they are all in there.

Mr. WICKERSHAM. The Guggenheim interests still own a half interest in the railroad, and they own a half interest in the copper mines, the Kennicott Mines Co.?

Mr. STEELE. Well, let us get the thing absolutely straight; I do not want to quibble with you in any way. The Guggenheims and the Morgans each have an undivided half interest in the syndicate; the syndicate owns a proportion of the stocks, and, in some cases, all the stocks of these properties about which we have been speaking, but there has never been any division of any kind, sort, or description, so that you could say the Morgans own half of this or the Guggenheims own half of that.

Mr. WICKERSHAM. Are you prepared to say this is not the situation: That the Guggenheim interests in the Alaska Syndicate own one-half the stock of the Kennicott Mines Co.—is not that correct?

Mr. STEELE. It does not yet, no; because there has been no division of anything at all that is owned by the syndicate; the Guggenheims own a one-half interest in the original syndicate and the Morgans own the other half.

Mr. WICKERSHAM. The syndicate owns both of these properties?

Mr. STEELE. The Bonanza property entirely and a controlling interest in the Beatson.

Mr. WICKERSHAM. Now, is there any other copper mine in that country that is being worked or being developed?

Mr. STEELE. I do not know of any. You mean in Alaska?

Mr. WICKERSHAM. Yes.

Mr. STEELE. I do not know of my own knowledge; I have heard there were two up there, the Hubbard-Elliott properties, and that which is known as the McCarthy, in which Mr. James Philipps, Jr., has a large interest; but I have no information about that positively.

Mr. WICKERSHAM. I show you a map here in the Alaska-Yukon Magazine of January, 1911, showing the location and growth of the Copper River & Northwestern Railroad, and ask you if that is correct?

Mr. STEELE. I could not tell you; I have never been there myself; I do not know.

Mr. WICKERSHAM. Well, it is one of your own publications or advertisements?

Mr. STEELE. There are correct maps of all of that district made by the Geological Survey.

Mr. WICKERSHAM. It is not technically correct, there is no question about that; but it is an advertisement which discloses a situation of things which I want the committee to see. Have the Beatson mines been incorporated?

Mr. STEELE. Yes; they were incorporated as the Beatson Copper Co.

Mr. WICKERSHAM. Who owns the Beatson Copper Co.?

Mr. STEELE. The Alaska Syndicate has the controlling interest in that.

Mr. WICKERSHAM. Well, how much of an interest?

Mr. STEELE. Well, I stated that yesterday, and I will state it again. The Alaska Syndicate furnished, I think, about \$150,000 for the working capital of that mine. The owners of the property received in the neighborhood—I can not give it to you exactly—of about \$600,000 of first-mortgage bonds on the property; the Alaska Syndicate received two-thirds of the stock of the new corporation and the former owners one-third. Under the terms of the mortgage securing the bonds all the net

proceeds of the ore must be applied, after the payment of operating expenses, to the payment and redemption of the bonds; so the vendors will receive their purchase price before the syndicate gets anything on its stock.

Mr. WICKERSHAM. Now, you say the Alaska Syndicate owns two-thirds of the stock in the Beatson mines?

Mr. STEELE. It does.

Mr. WICKERSHAM. Do you know of any other mines in the whole of Alaska, in the way of copper, known to have any value at all except the Beatson mine, and 3,240 acres of the Bonanza mines, which are under your ownership?

Mr. STEELE. Of my own personal knowledge, no; but I have heard there is a great deal of copper there. I know that Mr. James Philipps, Jr., has spent a great deal of money on his property, and it is thought it is a valuable property, but I have no personal knowledge of that. I have understood from the Geological Survey that there are vast deposits of copper in Alaska.

Mr. WICKERSHAM. But you do not know where they are?

Mr. STEELE. I do not.

Mr. WICKERSHAM. And so far as you know, nobody else knows?

Mr. STEELE. On the contrary, as far as I know, a great many people know where they are; yes.

Mr. WICKERSHAM. They are right on the line of your own, from Chitina eastward, are they not, these deposits?

Mr. STEELE. I think so—that is, there are certain deposits there. I understand the McCarthy property is up there, but I can not give you the exact location.

Mr. WICKERSHAM. You filed your rate sheets here. I looked through them and I did not find any ore rates. Are there any?

Mr. STEELE. I have never seen them; they were filed by Mr. Law.

Mr. LAW. That would come under general merchandise, I should think, if there are no ore rates shown.

Mr. WICKERSHAM. You have another think.

Mr. STEELE. I think no ore has been carried yet.

Mr. WICKERSHAM. Do you know what rates have been fixed on these ores, tentatively, on the prospective development of that country?

Mr. STEELE. No.

Mr. WICKERSHAM. Mr. Hawkins is your general manager of that road up there, is he not?

Mr. STEELE. No; Mr. Hawkins is chief engineer, and Mr. Young is vice president and general manager.

Mr. WICKERSHAM. But there are no rates fixed in that schedule?

Mr. STEELE. I could not tell you.

Mr. WICKERSHAM. And you built that road from Cordova to the Bonanza mines for the purpose of hauling the ore from the Bonanza mines, did you not?

Mr. STEELE. That sole purpose?

Mr. WICKERSHAM. Yes.

Mr. STEELE. No. I am glad you asked that.

Mr. WICKERSHAM. Well, I am glad, too.

Mr. STEELE. I can go back to this same report of Mr. Eccles from which I read a few moments ago. "It is our intention, as future conditions shall warrant, to extend our lines until we have an American railroad of standard gauge, running from the Pacific Ocean to the Yukon River." Now, let us get down to the facts. The statements already before the committee show that over \$16,000,000 have been spent in the construction of this road; we will have to spend \$2,000,000 more, I suppose, before we get the road completed to the Bonanza mines. There is an investment of \$18,000,000. The interest on \$18,000,000 at 6 per cent is something over \$1,000,000 a year, so you see we would be charged with over a million dollars a year for interest; the other interest has been calculated so, it seems, that at the end of the next year there will be over \$2,000,000 of interest. Add that \$2,000,000 to the \$18,000,000 and you have got \$20,000,000. Now, the utmost profit that we can expect to receive, unless there should be some development of which we know nothing, from the Bonanza mines, would be \$3,000,000—that is, exclusive of the interest which has been lost on the \$3,000,000 we paid. In other words, we paid for the Bonanza mines \$3,000,000 and we expect to make \$3,000,000 out of it; if we get copper there worth, say, \$6,000,000 that will give us a profit of \$3,000,000. In order to get this \$3,000,000 we have spent \$18,000,000, which indicates a net loss of \$15,000,000. That was never our idea. The idea in building this road to the Bonanza mines was to get that country developed. Where we have looked, and where we will look, for the ultimate profit on this road, if there is ever going to be any profit, is the development of Alaska up in the Chitina and Tanana Valleys, where they will be permanently settled, where people will go and raise families and devote themselves to agriculture, because those valleys are entirely suited for the raising of a great many crops. That is where we expect to get our permanent returns from the road if we ever get any. The tonnage of this Bonanza mine is comparatively small, although the ore is very high in copper.

Mr. WICKERSHAM. You do not expect to make anything at all until you build it right into the Tanana country and induce people to go and settle in the country in the years to come?

Mr. STEELE. That is where the real returns are going to come. We do expect, when this road gets opened next year, that people will come into Alaska when they can get into it quickly and cheaply.

Mr. WICKERSHAM. Let me call your attention to the contract with Birch, Schultz, and Ralph; when you bought the copper mine you agreed to build this road as part of its consideration?

Mr. STEELE. Yes; it was intended to build a narrow-gauge road across from Valdez.

Mr. WICKERSHAM. Did you ever build a foot of it?

Mr. STEELE. Never, but really spent a lot of money.

Mr. WICKERSHAM. But it was all of standard gauge and a first-class road?

Mr. STEELE. I was not so informed.

Mr. GOOD. I understand you now say the net value of the ore in the Bonanza mine is \$3,000,000?

Mr. STEELE. No; that is the profit; the net value there is \$6,000,000.

Mr. GOOD. If the net value, as testified by Mr. Birch, is \$6,000,000, including the mining and transportation, then that would be all profit, would it not?

Mr. STEELE. No; that includes mining, transportation, smelting, and refining.

Mr. GOOD. You deduct the \$3,000,000, the purchase price you paid?

Mr. STEELE. Yes, sir.

Mr. GOOD. Now, in making that computation what do you figure the gross value is, irrespective of mining and of transportation, and how much do you deduct for transportation?

Mr. STEELE. I could not tell you that.

Mr. GOOD. I understood you to say you had seen the figures of the engineer.

Mr. STEELE. No; what I stated was I have seen the reports of the engineers who placed the value upon these mines.

Mr. GOOD. It is quite likely, then, in making this estimate and giving the net value, the engineer has computed \$20,000,000 for transportation, including the whole cost of this railroad?

Mr. STEELE. Oh, no; not for a moment.

Mr. GOOD. How much did he include?

Mr. STEELE. I can not tell you, but probably estimated what he thought would be a reasonable rate for the transportation of the ore.

Mr. WICKERSHAM. Do you not know that Mr. Birch has repeatedly said, in private conversation and in his general conversation with the public, that there is more than \$25,000,000 worth of copper in that gulch, disintegrated and ready to go on the trains?

Mr. STEELE. No; I am absolutely certain he never said anything of the kind. He has never said so to any of us, and I feel quite sure he never said anything of the kind to anyone else.

Mr. GOOD. Now, the road from Kennicott, how long is that?

Mr. STEELE. Sixty-eight miles.

Mr. GOOD. The only possible benefit that this road could be to anyone would be to this copper company?

Mr. STEELE. No. There are other copper properties there. We hope that those other copper properties, as soon as they get transportation, will be developed, and as soon as they get railroad facilities with which to take in their machinery.

Mr. GOOD. There is no agriculture on that line?

Mr. STEELE. Not there.

Mr. GOOD. So that will be built necessarily for the copper interests?

Mr. STEELE. Yes, sir. Now, I am awful sorry to detain the committee so long, but I do not know that it is my fault, because I have been asked so many questions; but I wish to call your attention to this fact, that the question has been raised and suggested very many times about being a monopoly and trying to get everything in Alaska.

Mr. WICKERSHAM. I am raising that question right now.

Mr. STEELE. I want to say this, that you will observe—

Mr. WICKERSHAM. And I hope you have the courage to stand right there until I get through cross-examining you.

Mr. STEELE. I do not know what time I will have.

Mr. WICKERSHAM. I hope you will not run away.

Mr. STEELE. I do not run away from you and have not from anybody else. At the time we bought the stock interest in the commercial company it was controlled by Mr. John Rosene and his associates. That commercial company had every one of the things which we now have except that it did not have these copper mines and the commercial company did not own a railroad. Mr. John Rosene, or the commercial company, had these fisheries, the commercial company had the stores, and the commercial company had the stocks in these other companies of which I have spoken. Now, it has been our endeavor to get rid of those outside things as fast as we can. We have already reduced the stores and expect to sell them out; we hope, if we can, to get rid of the fisheries.

Our aim has been all the way through to get it down to a simple transportation proposition and the mining of copper. We did not want any coal lands in Alaska except that we would like to have had some coal lands, if we could get them reasonably, simply for the operation of our mines; we did not want to go into the coal-mining business or the coal-selling business in a commercial way; we never had any such intention, and we do not have it now and do not want it. We made the agreement, this Cunningham agreement, about which so much has been said, because we practically had to; we wanted coal for our operations, and the position of those gentlemen was that they had spent a great deal of money in securing those claims and a great deal of time; that they were scattered; that they had no organization; and that, as we had the organization and had the money to put into it, to develop the properties. The agreement that we would really care for would be one which would give us coal for our own operations and also give us coal to carry; the buying of the coal from the mines and selling of the coal in the markets is a thing we did not want.

Mr. WICKERSHAM. Would you approve the Senate leasing bill?

Mr. STEELE. I think myself, Judge, that it is a mistake on the part of the United States Government to go into that kind of business, but since there seems to be so much trouble I would like to see the United States Government develop those coal properties—take charge of them and develop some of the coal properties it has.

Mr. WICKERSHAM. And including transportation?

Mr. STEELE. I would be very glad to have them take our road from us; would be very glad to have them do it.

Mr. WICKERSHAM. Would you sell it for what it is actually worth?

Mr. STEELE. We would sell it for cost and might sell it for less than cost. There have been no reasons assigned why the relief asked for should not be granted except two; one, that this is a private road, which I have answered, and the other is because these people have money. Now, it seems to me that if the Government is only going to give encouragement to speculative or unsound—

Mr. LLOYD. May I interrupt you there? As I understand your bill, you ask for relief from taxation for 10 years. Has any other company ever gotten that?

Mr. STEELE. I think so.

Mr. LAW. Every company has been given five years; that is, during the period of construction and five years afterwards, except the Valdez, Marshall Pass & Northern and the Council City & Solomon River Railroads. The Valdez & Marshall Pass were only given four years; that is, four years after the completion of the construction. The Council City & Solomon River were given five years by the act of 1905, three years by the act of 1906, carrying their relief from the tax until December 31, 1909, and then, when they came to Congress in 1910 or 1909 and asked for more time to complete their railroad—they had not built anything since 1906—then this committee recommended a bill which gave them relief from the license tax from December 31, 1909, until one year from the passage of the act; the bill has not yet become a law; it passed the House and went over to the Senate, but has not yet become a law. If it becomes a law, they will have been given relief from taxation from 1906 until 1912. The hearings before this committee last year showed they had not constructed any railroad since 1906, so the effect of the bill reported last year in their behalf, should it become a law, will be that they will have had 6 years after the completion of their railroad, while the amendment submitted by us is limited to 5 years after completion and 10 years in all, including the construction period.

Mr. Candler. Did not your company oppose the extension?

Mr. LAW. We have never opposed any relief of that kind to any railroad.

Mr. Candler. There was some contest between your road and the other roads as to that application.

Mr. LAW. You refer to the Alaska Pacific Railway & Terminal Co. On the contrary, we consented and were very glad they were to have an extension of time. What we asked was that a provision should be inserted in the law protecting our vested rights, as we claimed them to be, where our road conflicted with theirs, and this committee, I am sorry to say, denied us that provision.

Mr. STEELE. As I say, it does not seem to me it is a very sound position for the United States Government to take, to say that it will give aid to roads that are not going to be built, or to roads that are insolvent and not give aid to roads that are solvent and are going to be built and roads that will develop Alaska and roads that will do some good. I think that this committee and Congress ought to give all possible encouragement to all men, not only to us, but to any men who have courage enough to go up into Alaska and build railroads; I think that in every way that is consistent with the views of Congress, as to the duties of the Government and the proper discharge of its functions, aid and encouragement should be given to every road that goes up there. Let me call your attention to one thing and then I am through. The Alaskan Northern Railway, so far as my information goes, is a road that was built by English and Canadian capital. The White Pass & Yukon—

Mr. WICKERSHAM. Did not Mr. Morgan put in \$1,700,000?

Mr. STEELE. No.

Mr. WICKERSHAM. How much did he have in it?

Mr. STEELE. He never had any.

Mr. WICKERSHAM. You are sure about that?

Mr. STEELE. I am not informed except as to what they tell me.

Mr. WICKERSHAM. Do you not know that he was one-third owner in the Sovereign Bank of Canada?

Mr. STEELE. No.

Mr. WICKERSHAM. Do you not know he had large interests in it?

Mr. STEELE. No.

Mr. WICKERSHAM. Do you not know anything about it?

Mr. STEELE. No, I do not. I only know this, that I asked them, when that question was asked before the Senate Committee on Territories, whether they had any interest or not in that road, and they said they had not. Now, the White Pass & Yukon road was built by English and Canadian capital, foreign capital. And this is the only road in Alaska, so far as I know, that is now alive, that is being built by American capital; and it is the only road, so far as I know, to which Congress has not granted the relief which we now ask.

Mr. WICKERSHAM. Have you ever heard of the White Pass & Yukon road coming here and asking for a handout of any kind?

Mr. STEELE. No; I do not know anything about it.

Mr. LAW. It being a foreign corporation, it would not be likely to come here for a handout.

Mr. WICKERSHAM. It is not a foreign corporation on this side of the line. I do hope I will be permitted to examine Mr. Steele further. He was before the Committee on Territories in the Senate and I went there and asked to have an opportunity to examine him but was refused. Now, he is here appealing to this committee in behalf of what he claims to be a beneficent corporation in Alaska; I say it is not and say it is anything but that, and it would be very unfair if I do not have an opportunity to cross-examine him.

Mr. COLE. We have no authority over Mr. Steele; if he will come and submit to a cross-examination I will attend the session.

Mr. WICKERSHAM. I want the record to show that I have made application for an opportunity to cross-examine him fully and fairly, and I will be brief about it and as quick as possible.

Mr. COLE. How long will it take you?

Mr. WICKERSHAM. I think about two hours.

Mr. STEELE. I have got to leave by the 12:30 train to-day.

Mr. LLOYD. I do not like to say just what I feel like saying just now, but I will be perfectly frank and state it. My own opinion is that we may just as well indefinitely postpone the further consideration of this bill. I feel sure, from the information I have from the floor of the House, that it is impossible to pass this bill, and I think we would be very foolish to report a bill which we can not pass. In the first place, I do not think we can get consideration of it except under the suspension of the rules, which comes within the last six days, and I feel very confident it would be impossible to secure a two-thirds vote in favor of it, and feeling that way I think it is unwise and unfair to Mr. Steele to ask him to remain, and I know it would be unfair to let this hearing stop at this point, one side having been heard and no opportunity given to the man who knows more about these things than anybody else—the Delegate from Alaska—to conduct such a cross-examination as he desires within reason, and it ought to be within reason, and I take it that it would be. I think it is impossible to get consideration of this bill because of this fact: Last year, if you remember, in the consideration of those little bills that did not involve anything much, we had the very greatest difficulty in getting an extension for a single year. And now I said I would be frank. Every man knows that whenever we go on the floor of the House with a proposition to relieve a railroad that is owned by Morgan and Guggenheim we at once meet very serious opposition, without reference to the merits of the proposition.

Mr. LAW. The amendments which we suggest to the bill relate to all the railroads in Alaska.

Mr. LLOYD. I appreciate that fact, but the purpose of it is to get relief for your company, and the people that are now asking for relief are the Morgans and the Guggenheims, and it is an exceedingly difficult proposition to show to the House that the Guggenheims and Morgans need any exemption from taxation.

Mr. COLE. Judge Wickersham, do you wish to make a statement to the committee?

Mr. WICKERSHAM. Oh, I do.

Mr. COLE. Well, we will have to have another meeting to hear the Judge; it would not be fair to hear one side of this proposition and not the other.

Mr. WICKERSHAM. I want to notify Mr. Steele now that I am going to present proofs and say things that will be very interesting to his corporation, and he had better be here.

Mr. STEELE. I do not know whether I can be here, but you have made statements to other committees which have proved to be absolutely untrue and unfounded.

Mr. WICKERSHAM. That is not true, and you know it.

Mr. STEELE. It is true, and you know it is true.

Mr. WICKERSHAM. You told things before the Committee on Territories that were untrue and refused to allow me to cross-examine you.

Mr. COLE. I think this has gone far enough. I do not know that we are getting any enlightenment.
Mr. GOOD. I move that the committee go into executive session.
(The motion was carried.)

COMMITTEE ON THE TERRITORIES,
HOUSE OF REPRESENTATIVES,
Tuesday, February 21, 1911.

The committee met at 9 o'clock a. m., Hon. Edward L. Hamilton (chairman) presiding.

The CHAIRMAN. Mr. Steele is present, and, as I understand, he appears this morning to submit to some inquiries by Judge Wickersham.

STATEMENT OF JOHN N. STEELE—CONTINUED.

Mr. STEELE. Mr. Chairman, before Judge Wickersham begins his examination, I would like to answer a question he asked me at the last hearing regarding the rates on ore, which I was not then able to answer. I told him I knew nothing about rates. We wired to Mr. Young, the vice president and general manager of the road, and I have here a copy of his reply, which I will file with the committee, but I will only read this section of it:

"There is no ore to move on the present operated line; hence no necessity for ore tariff. Tariffs are prepared and ready for publication as soon as the next section of line is put into operation and license paid, and prospective shippers generally have already been advised what rates will be."

(The telegram referred to will be found in full appended to this hearing.)

I have here a copy of the letter that Mr. Eccles wrote to the chairman of this committee on January 14, 1911, and I would like to read this in reply to something that fell from Mr. Lloyd in regard to the reason why this bill had been changed from a bill specially for the relief of this road to a bill relieving roads generally in Alaska from this license tax. I will not read it all, but just what he states in regard to what he had been informed, and the information he had received from counsel here in Washington as to the attitude of Mr. WICKERSHAM, the Delegate from Alaska. He says:

"I would further state that our company's counsel at Washington inform me that before said bill was introduced they submitted the same to Hon. JAMES WICKERSHAM, Delegate from Alaska, in the hope of obtaining his support thereof. At the interview with him I am told that Mr. WICKERSHAM was frank to say that he could not become a champion of the bill, but voiced the view that if it was right to relieve other railroads in Alaska from taxation, as proposed in the bill, it was right that it should be done as to the Copper River & Northwestern Railroad Co.; that he realized Alaska needed railroads, and that such enterprises should be encouraged, and that he would be willing to so state publicly before a proper committee, if necessary."

"It was after this conversation with Mr. WICKERSHAM that the bill was introduced in the Senate."

"Later, when the measure had passed the Senate, our counsel again saw Mr. WICKERSHAM, as they informed me, for the purpose of ascertaining his then attitude with respect to the bill. My information is that at this interview he informed said counsel that he had determined to oppose the bill on two grounds; first, because, in his judgment, it was wrong to exempt the property of railway companies in Alaska from general taxation."

"The bill as originally prepared exempted the property of the road as well as exempting it from the license tax—"

"since such action would impose unjust burdens upon other holders of property there, particularly in municipalities; and, second, because he had become definitely opposed to the practice of singling out particular railroads for relief from the license tax. Mr. WICKERSHAM then remarked, as I am advised, that he regarded the license tax or fee as an unjust and unwise tax."

Mr. LLOYD. Mr. Steele.

Mr. STEELE. Yes, sir.

Mr. LLOYD. What is your purpose in reading that? That is not in response to anything that I said.

Mr. STEELE. No; the other was in response to—

Mr. LLOYD. Apparently the only purpose that you have in reading that is to bring Mr. WICKERSHAM into disrepute before this committee.

Mr. STEELE. Not at all, Mr. LLOYD. You made some remark here to the effect that this bill had been changed from a bill simply for the relief of this road into a bill for the relief of railroads generally.

Mr. LLOYD. May I say just a word? Let me say this much right at this juncture. So far as I am individually concerned, and speaking only for myself, I do not want you or any of your counsel to make any improper reflections upon a member of this committee. I believe in the honesty and integrity of every member of the committee, and if your purpose is to attack any member of the committee, and especially Mr. WICKERSHAM, why, as far as I am concerned, I hope that the chair will not permit you to do it.

Mr. STEELE. My purpose was not to attack Mr. WICKERSHAM or any member of the committee; it was simply to show why this bill had been changed from the form of a bill for the relief of this railroad into one for the relief of railroads in Alaska generally.

Mr. LLOYD. That is all right; I have no objection to that. With that understanding about it, I have no objection.

Mr. STEELE. That was the only purpose; it was not for one moment for the purpose of attacking Mr. WICKERSHAM, or anybody, but simply to show why that was changed; that it was not done to get this relief in an underhand way. I shall not read any more of it, if it is objectionable.

Mr. SOUTHWICK. Let the gentleman continue his reading of the letter. I read it.

Mr. LLOYD. Very well; I will ask him to continue, at the request of our friend from New York.

Mr. SOUTHWICK. Surely.

The CHAIRMAN. I beg pardon; let us get our bearings here. Mr. Steele, you said that Mr. Lloyd submitted some inquiry at the last hearing of the committee which you are answering; is that it?

Mr. STEELE. Yes, sir; I was endeavoring to answer the suggestion of Mr. Lloyd, which was made, I think, at the last sitting of the committee, last week—

Mr. LLOYD. Yes; last week.

Mr. STEELE (continuing). That this bill had now been changed to a bill for the relief of railroads generally in Alaska.

The CHAIRMAN. There has been offered an amendment of that kind, has there?

Mr. LLOYD. There was an amendment offered.

Mr. STEELE. Yes; and I was simply stating why—

Mr. LLOYD. Their purpose was not to stand on the bill—

Mr. STEELE. The practice had been always for railroads coming here to have a bill for their own relief, and I was simply stating why, after the bill had passed the Senate in its then shape, the amendment which applied to all railroads in the course of construction or that were going to be constructed in Alaska had been offered—why that had been changed; that it was not an attempt in any way to get under cover the relief for this road, but it was because of what Mr. Eccles had been informed of the views of Mr. Wickersham in regard to that. That was all.

The CHAIRMAN. After all—

Mr. STEELE. I simply wished to show to this committee, in the best, of good faith, that we were not trying to get anything in an underhanded way, or—

The CHAIRMAN. After all, it must be apparent to you that whatever is done here would have to be done by the committee, and the attitude of one member of the committee as to a proposed draft of a bill would be simply his attitude.

Mr. STEELE. Simply his view; yes, sir.

The CHAIRMAN. And, of course, so far as his views are concerned, in relation to that, he would have an opportunity to present them?

Mr. STEELE. Yes; views are liable to change, for one reason or another, and I simply wanted to get it straight, as to why we had submitted that amendment.

The CHAIRMAN. Go ahead, if you have anything further to submit.

Mr. STEELE. That is all I care to read.

Mr. GUERNSEY. The bill that was introduced was for the relief of this particular road, or of railroads in general?

The CHAIRMAN. The relief of this particular road. What page is the amendment on?

Mr. GUERNSEY. The final page.

The CHAIRMAN. There is a certain proposed amendment found on page 13 of the hearings on this bill. Will you proceed, Judge Wickersham?

Mr. WICKERSHAM. When were these proposed amendments offered, Mr. Steele?

Mr. STEELE. So far as I know, Judge Wickersham, I think they were offered at one of the hearings here last week.

Mr. WICKERSHAM. Just last week?

Mr. STEELE. Yes.

Mr. WICKERSHAM. This conversation you said I had with you?

Mr. STEELE. Oh, no.

Mr. WICKERSHAM. Whom was it with?

Mr. STEELE. Now, you will have to ask these other gentlemen. In this letter from Mr. Eccles he says that he was informed by his Washington counsel.

Mr. WICKERSHAM. Who are his Washington counsel?

Mr. STEELE. Burdett, Thompson & Law; Clark, Prentiss & Clark, and Mr. Neale.

Mr. WICKERSHAM. Mr. Law?

Mr. STEELE. Yes.

Mr. WICKERSHAM. And who else?

Mr. STEELE. Mr. Neale.

Mr. WICKERSHAM. Mr. Neale?

Mr. STEELE. And Clark, Prentiss & Clark.

Mr. WICKERSHAM. You refer to these three gentlemen who are here?

Mr. STEELE. Yes.

Mr. WICKERSHAM. They are always around here working in the interests of these corporations, are they not?

Mr. STEELE. I do not know whether they are—

Mr. NEALE. I deny that, most emphatically. I have never been here but twice this session, and once was to see you.

Mr. WICKERSHAM. Let me ask you: Are you not the man from whom I received an invitation one day to come out of the House and come over to the Committee on Ways and Means to see you; that you were over there?

The CHAIRMAN. May I interrupt you a moment?

Mr. WICKERSHAM. Yes.

The CHAIRMAN. I want to make this suggestion: Now, let us try to get along with this inquiry in the most courteous and kindly manner possible and elicit the facts.

Mr. WICKERSHAM. Yes.

The CHAIRMAN. Let us not allow any of that feeling that counsel sometimes develop in the enthusiastic and energetic conduct of a case to influence the courtesy of our action. I know we all intend to do that, and let us get along.

Mr. GOOD. I would suggest that the examination of Mr. Neale be postponed for the time being. Mr. Steele is here from a distance, and his examination should take precedence.

Mr. NEALE. Judge Wickersham has made the uncalled-for remark that I am hanging around the Capitol seeking to aid the Alaska Syndicate, and I desire to put an emphatic negative on that. There is not a scintilla of truth in it, and he knows it.

Mr. WICKERSHAM. Did you not send for me to come out of the House to see you?

Mr. NEALE. I sent for you as one gentleman should send for another gentleman.

Mr. WICKERSHAM. Yes; and where were you?

Mr. NEALE. I was in the Ways and Means Committee.

Mr. WICKERSHAM. And you sent for me and asked me to come up there?

Mr. NEALE. Yes; I was there with Mr. Law.

Mr. WICKERSHAM. And you sent for me and asked me to come up and talk about these matters?

Mr. NEALE. I asked you to come up there, so that I might submit this bill to you, as the Delegate from Alaska.

Mr. WICKERSHAM. Yes.

Mr. NEALE. Just as you might come to me and ask me to do something for you if our positions were reversed—

Mr. WICKERSHAM. Every time this bill has been up you have been here looking after it.

Mr. NEALE. No; I have not.

Mr. WICKERSHAM. And you are here now.

Mr. NEALE. I am here now, with my brother lawyers associated with me as counsel.

Mr. WICKERSHAM. And you were there at the Ways and Means Committee, sending for me to come over there to see you, and I did not know who was sending for me.

Mr. NEALE. That is not true, sir. I sent in my name to you.

Mr. WICKERSHAM. Then you sent in and asked me to come over to the Ways and Means Committee to meet you and Mr. Law?

Mr. NEALE. I never sent for you in my life without first giving you my name.

Mr. GOOD. What is this intended to be?

Mr. SOUTHWICK. What is this, a filibuster?

Mr. WICKERSHAM. No, sir; there is a lobbyist here trying to bulldoze the Territory of Alaska.

Mr. NEALE. Mr. Wickersham, you have made a statement here that I do not intend to submit to.

Mr. WICKERSHAM. You will submit to it.

Mr. NEALE. I will not submit to it.

Mr. WICKERSHAM. Or else you will stay away from here as a lobbyist.

The CHAIRMAN. As chairman of the committee, I suggest, as suggested by Mr. Southwick, that when gentlemen desire to interrupt they shall address the chairman and have leave, first, so that we may conduct these proceedings in an orderly manner. The Chair, so far as he is able, will endeavor to maintain order and preserve the rights of the members of the committee and of witnesses before the committee. Now, I suggest that Judge Wickersham proceed with such inquiries as he desires to make of Mr. Steele.

Mr. WICKERSHAM. Very well. Now, Mr. Steele, you testified the other day that the Alaska Syndicate owned the Copper River and Northwestern Railroad Co.

Mr. STEELE. Yes.

Mr. WICKERSHAM. Two hundred miles in length?

Mr. STEELE. Well, it has not been completed. It will be 200 miles when completed.

Mr. WICKERSHAM. It will be 196 miles, I think.

Mr. STEELE. About that.

Mr. WICKERSHAM. And you testified that you also owned and controlled the Beatson mines and the Kennicott Mining Co.—the copper mines?

Mr. STEELE. We own the Kennicott mines absolutely.

Mr. WICKERSHAM. Yes.

Mr. STEELE. In the Beatson, as I say, we have two-thirds of the stock, and the purchasers own the first mortgage bonds, over \$600,000, but the control of the stock gives us control of the management of that company.

Mr. WICKERSHAM. And you are attorney for the American Smelting Co.?

Mr. STEELE. Yes.

Mr. WICKERSHAM. And they are connected, through the Guggenheims, with those mining companies?

Mr. STEELE. No, sir; the American Smelting & Refining Co. has no interest at all in those mining companies.

Mr. WICKERSHAM. No; but the Guggenheims have an interest in them?

Mr. STEELE. I can not tell you what their interest is in the American Smelting & Refining Co. except that they are at present in official control of it. I have already told you what their interests are in the Alaska syndicate.

Mr. WICKERSHAM. The Alaska Steamship Co. is interested in a steamship line running from Cordova and this country immediately around your railroad and copper mines to Seattle?

Mr. STEELE. The Alaska Steamship Co. has a direct line. I can not tell you exactly how the boats are run, but it runs some boats directly from Seattle to Cordova.

Mr. WICKERSHAM. The American Smelting & Refining Co. owns the Tacoma smelter?

Mr. STEELE. No; I think that is owned by the American Smelter Securities Co.

Mr. WICKERSHAM. They are all interested in one and the same proposition, are they not?

Mr. STEELE. They are practically under the same management.

Mr. WICKERSHAM. The Guggenheims are interested in both?

Mr. STEELE. They are interested in both.

Mr. WICKERSHAM. How about the Selby smelter?

Mr. STEELE. The Selby smelter is owned by the Securities Co.

Mr. WICKERSHAM. And the Everett smelter, at Everett?

Mr. STEELE. I do not know to which that belongs.

Mr. WICKERSHAM. Now, have you made any investigation since you were here the other day to ascertain whether there were any other smelters on the Pacific coast?

Mr. STEELE. I have not. I intended to do so, so as to give you the information, but I was so busy that I could not do it.

Mr. WICKERSHAM. If you will give us that information at some time, I wish you would do so. I say now to the committee that there is none other, as I am informed.

Mr. STEELE. I do not know of any other.

Mr. WICKERSHAM. I say there is no other but those three.

Mr. STEELE. I do not know about the others.

Mr. WICKERSHAM. Now, are you interested in the railroad on the Seward Peninsula running down to Nome?

Mr. STEELE. We have no interest at this time. The Northwestern Commercial Co. had originally \$125,000 of the stock of this railroad—I think it is called the Wild Goose—owned by the Northwestern Development Co.

Mr. WICKERSHAM. I call it the Seward Co.

Mr. STEELE. That is the wrong name.

Mr. WICKERSHAM. It is the Northwest Co.?

Mr. STEELE. Yes; I think that is right. I will ask Mr. Hantz, the clerk of the committee, to have my statement of prior days corrected to that effect; it is the Northwestern Development Co. That company has been reorganized, and the \$125,000 of preferred stock which we had is now subject to first-mortgage bonds, subject to certificates of indebtedness, subject to funded certificates, so that I do not think it is worth anything.

Mr. WICKERSHAM. But your people are there, managing and running the thing?

Mr. STEELE. They have nothing in the world to do with it. They are not managing and running it, and never have been managing and running it.

Mr. WICKERSHAM. You have the Northwestern Mercantile Co. there, have you not?

Mr. STEELE. I never heard of it.

Mr. WICKERSHAM. What is your mercantile company called, there at Nome?

Mr. STEELE. I have never heard it called anything but the Nome store.

Mr. WICKERSHAM. The Nome store?

Mr. STEELE. The Nome store.

Mr. WICKERSHAM. You have two stores there, have you?

Mr. STEELE. No, sir. I think there are two stores—one at Nome and one at Teller; but their stock of goods has been reduced ever since we have been in there, and we intend to sell them out this spring if we can get anybody to buy.

Mr. WICKERSHAM. Your steamship line runs to Nome direct?

Mr. STEELE. I think so, but I can not answer that positively.

Mr. WICKERSHAM. Have you any interest in the Pioneer Mining Co.?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. That has been reported in the newspapers.

Mr. STEELE. You see very many things in the newspapers that are not absolutely correct.

Mr. WICKERSHAM. I wanted to know whether it was accurate; that was all.

Mr. STEELE. No, sir; it is not.

Mr. WICKERSHAM. Have you any interest in the town site of Nelson?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. Have you any negotiations or intention—

Mr. STEELE. Not the slightest. Some two years ago the people who were interested in that came to us and wanted us to be interested, but we declined.

Mr. WICKERSHAM. You declined. Have you any interest in the Controller Bay scheme of building a railroad, or anything of that kind?

Mr. STEELE. Not the slightest.

Mr. WICKERSHAM. It has been alleged in the last few days that your people have been interested in that. That is not true?

Mr. STEELE. We have not the slightest interest in it.

Mr. WICKERSHAM. That has been urged as one of the objections to the passage of the bill that those people were asking for; and it is only fair to them to say whether you have any interest in it, so that the matter may be cleared up.

Mr. STEELE. We have no interest in that at all; and if that will help those gentlemen, the knowledge that we have no interest in that enterprise, I am very glad for them to have that assistance.

Mr. WICKERSHAM. I think it will help them very much.

Mr. STEELE. Yes?

Mr. WICKERSHAM. Now, your company owns the Northwestern Fisheries Co.?

Mr. STEELE. The Northwestern Fisheries Co. is owned by the Northwestern Commercial Co.

Mr. WICKERSHAM. And you own the Northwestern Commercial Co.?

Mr. STEELE. No, sir; the Alaska Syndicate has between 46 and 47 per cent of the stock of the Northwestern Commercial Co.

Mr. WICKERSHAM. Is that the only interest you own in the Northwestern Commercial Co.?

Mr. STEELE. Yes.

Mr. WICKERSHAM. And that company owns the Northwestern Fisheries Co.?

Mr. STEELE. Yes.

Mr. WICKERSHAM. Do you have the management of the Northwestern Fisheries Co.?

Mr. STEELE. No; we do not. That is all managed out in the West.

Mr. WICKERSHAM. Yes; it is all managed in the offices in Seattle, is it not?

Mr. STEELE. It must be managed in the offices of the Northwestern Commercial Co. The Northwestern Fisheries Co. is a subsidiary company.

Mr. WICKERSHAM. Now, is it not a fact that all of these northwestern companies—the Northwestern Fisheries Co. and the Northwestern Commercial Co. and the Northwestern Steamship Co. and all those northwestern companies—are managed in your offices in Seattle; that the signs are on the windows of your offices there?

Mr. STEELE. I can not tell you about signs, but it is undoubtedly the case, as I understand, that the Northwestern Commercial Co., which owns the Northwestern Fisheries Co., manages both those companies.

Mr. WICKERSHAM. Yes. Now, are they not all managed by Capt. Jarvis?

Mr. STEELE. Oh, dear, no. Up to last June, I think it was, Capt. Peabody managed the steamship company. Mr. Rust was president of the Northwestern Commercial Co. Capt. Jarvis was treasurer of both companies. At present Mr. Joseph H. Young is the president of both the Northwestern Commercial Co. and the Alaska Steamship Co. Capt. Peabody resigned some time last May or June, and so did Mr. Rust.

Mr. WICKERSHAM. Mr. Rust was at the head of the smelter at Tacoma?

Mr. STEELE. Yes. He was the president of the Northwestern Commercial Co.

Mr. WICKERSHAM. Now, do you say that all of those companies are not managed from your local offices in Seattle, and that Capt. Jarvis has not entire charge of them?

Mr. STEELE. I can only give you my information. Capt. Jarvis is the treasurer. Mr. Joseph H. Young is the president of both companies, and he is the one, as I understand, who manages them.

Mr. WICKERSHAM. Yes; but they are all managed in those same big general offices in Seattle; is that correct?

Mr. STEELE. I do not know where the steamship company's office is now. It was, when I was there, at the wharf. Whether it is there now or not I do not know.

Mr. WICKERSHAM. You will not now say to this committee that all of these companies that are named to you are managed in those general offices of yours in Seattle, and under the control of those two gentlemen you have mentioned, Mr. Young and Mr. Jarvis?

Mr. STEELE. Those three companies are undoubtedly, so far as my information goes, under the control of Mr. Young, who is the vice president—

Mr. WICKERSHAM. Yes.

Mr. STEELE. That is, not the vice president; he is the president of those companies. Who is president of the Fisheries Co. I do not know, but that is a subsidiary company.

Mr. WICKERSHAM. Yes; but the Fisheries Co. offices are in those same general offices there in Seattle, under the control of Young and Jarvis?

Mr. STEELE. I can not say positively, but I assume so.

Mr. WICKERSHAM. Yes.

Mr. STEELE. They are under the control of the executive committee.

Mr. WICKERSHAM. Do you know how many canneries the Northwestern Fisheries Co. controls?

Mr. STEELE. I can not state that.

Mr. WICKERSHAM. I will call them off for you, and let you say if they are correct.

Mr. STEELE. I do not know about that. All I know is what Mr. Birch testified to last year. I think there were 12 canneries, were there not?

Mr. WICKERSHAM. I think there were eight.

Mr. STEELE. Well, maybe it was eight.

Mr. WICKERSHAM. If there are any more, I would like to know that. The record shows there were eight.

Mr. STEELE. Probably it was eight. I had a memorandum when I was here last Saturday. Whatever that showed I think is right.

Mr. WICKERSHAM. They were eight canneries owned by eight independent firms, formed into a trust by these people, were they not?

Mr. STEELE. That I do not know. They were in the Northwestern Fisheries Co. when we acquired our stock in the Northwestern Commercial Co.

Mr. WICKERSHAM. I will read you their names. They are as follows: Quadra, Hunter Bay, Santa Ana, Dundas, Orca, Uyak, Chignik, and Nushagak. Now, do you recognize those?

Mr. STEELE. I do not know any of the names. I know nothing about them.

Mr. WICKERSHAM. And they are all managed in those same general offices in Seattle? Do your people own the Yukon Gold Fields Co. of Dawson?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. Or control it?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. What is the name of the Dawson Co., the Guggenheim Co., at Dawson?

Mr. STEELE. That is called the Yukon Co., or the Yukon Gold Co., I think.

Mr. WICKERSHAM. At Dawson?

Mr. STEELE. I do not know whether at Dawson. It is in British Columbia. It is not in Alaska.

Mr. WICKERSHAM. No. Now, that is a very large corporation and a very large combination of practically the whole of the mines of that Dawson country, is it not?

Mr. STEELE. No, sir; I can not give you the exact number, but a man named—if the committee is interested in this—

Mr. WICKERSHAM. Yes.

Mr. STEELE. A man named Treadgold had got together a number of properties up in that place, in the Yukon country.

Mr. WICKERSHAM. Concessions?

Mr. STEELE. Yes; concessions; and then those concessions were put together as the Yukon Gold Co.—I think that is its name—and that was sold, or rather a portion of it was sold, to the Guggenheim Exploration Co., which conducts the mining operations there, hydraulicking and dredging.

Mr. WICKERSHAM. Ditches and stores and all?

Mr. STEELE. I do not know about the stores.

Mr. WICKERSHAM. Yes.

Mr. STEELE. I am not familiar with that, because that is not in my charge. I have just heard of that in a general way.

Mr. WICKERSHAM. The White Pass & Yukon Road, you know, goes from Skagway into White Horse?

Mr. STEELE. So I have been told. I do not know about that.

Mr. WICKERSHAM. Do you know anything about who owns the White Pass & Yukon Road?

Mr. STEELE. I have always understood that it was owned by Col. Graves and English capital.

Mr. WICKERSHAM. He is a member of the Alaska Syndicate?

Mr. STEELE. He is the president of the White Pass & Yukon route.

Mr. WICKERSHAM. He is the president of the White Pass & Yukon Road?

Mr. STEELE. Yes; he has no voice in the management of the Alaska Syndicate at all.

Mr. WICKERSHAM. Now, what interest has the Alaska Syndicate or any of its subsidiary companies in the White Pass & Yukon Road?

Mr. STEELE. So far as the Alaska Syndicate is concerned, it has no interest in the White Pass & Yukon Road or connection with it. So far as the Alaska Steamship Co. is concerned, I do not know. I do not know heard of its having any agreement with that road. I do not know.

Mr. WICKERSHAM. Do you not know that it has an agreement by which there is a through traffic rate with the Yukon Pass Road and the steamship company?

Mr. STEELE. I do not know.

Mr. WICKERSHAM. And do you not know that Mr. Law and these other gentlemen who represent you here filed briefs last year in order to keep other lines from connections with the White Pass & Yukon Road?

Mr. STEELE. Oh, no; not at all. That brief was filed upon an entirely different question. That was a question whether the Interstate Commerce Commission—

Mr. WICKERSHAM. Sure.

Mr. STEELE (continuing). Had jurisdiction of interstate traffic in Alaska.

Mr. WICKERSHAM. Yes; and it was for the purpose of keeping the Humboldt Steamship Co. from forming connections at Skagway with the White Pass Road?

Mr. STEELE. No, sir; I can not tell you anything about that original proceeding, because I do not know; but our brief was filed simply for the purpose of having it determined, or submitting our views, I should say, to the Interstate Commerce Commission as to whether or not the Interstate Commerce Commission had jurisdiction over intrastate traffic in Alaska or whether that jurisdiction was with the Secretary of the Interior.

Mr. WICKERSHAM. And your people filed a brief upon which side of that question?

Mr. STEELE. Our people filed a brief upon—the main point of that brief was that the jurisdiction which had been vested in the Secretary of the Interior under the act of 1898, I think—

Mr. Law, May 14, 1898.

Mr. STEELE (continuing). May 14, 1898, had not been taken away by the Hepburn Act. The Interstate Commerce Commission afterwards decided that it had no jurisdiction. I do not know upon what ground. I have the opinion, but have never had a chance to read it.

Mr. WICKERSHAM. And the court here decided that it did have, but that the court had no jurisdiction to compel it to act; or do you know that?

Mr. STEELE. I do not know it.

Mr. WICKERSHAM. The Katalla Co., do you know that?

Mr. STEELE. Yes.

Mr. WICKERSHAM. What sort of a corporation is the Katalla Co.?

Mr. STEELE. The Katalla Co. is a construction company, with a capital of, I forget whether it is \$10,000 or \$50,000, formed simply for the purpose of building the railroad—making contracts with the contractors and for supplies, and building the railroad.

Mr. WICKERSHAM. And your people are the Katalla Co.?

Mr. STEELE. Yes.

Mr. WICKERSHAM. There is some connection. I simply wanted that cleared up. Now, there is the Northwestern Steamship Co. as well as the Alaska Steamship Co.?

Mr. STEELE. There was a Northwestern Steamship Co. which was owned by the Northwestern Commercial Co., and that is the company whose stock the syndicate tried to buy from the Northwestern Commercial Co., and when I said the Northwestern Commercial Co. I should have said Mr. Rosene and his associates who were in control of it. They would not sell, the Northwestern Steamship Co. In January, 1908, the Northwestern Steamship Co. and the Alaska Steamship Co., which was owned by Mr. Peabody and his associates, were consolidated into the Alaska Steamship Co., and the Northwestern Steamship Co. went out of existence.

Mr. WICKERSHAM. And the Alaska Steamship Co. took its place?

Mr. STEELE. That company is the result of the consolidation of those two companies.

Mr. WICKERSHAM. So that if anything had the Northwestern Steamship Co. attached to it it would probably mean the Alaska Steamship Co.?

Mr. STEELE. I do not understand that.

Mr. WICKERSHAM. Suppose they are issuing receipts there now under the name of the Northwestern Steamship Co.

Mr. STEELE. I can not imagine that is so, because that company went out of existence in January 1908.

Mr. WICKERSHAM. I will show you one. Just examine this document [handing paper to witness]. That is why I called it to your attention at this time.

Mr. STEELE (after examining paper). The date of this is not given.

Mr. WICKERSHAM. No.

Mr. STEELE. I can not tell you anything about it.

Mr. WICKERSHAM. You know nothing about it?

Mr. STEELE. No; not a thing, except what I told you just now, that there was a consolidation and merger about the 1st of January, 1908.

Mr. WICKERSHAM. I offered this to you for the purpose of showing that at that time the Northwestern Co. was granting rebates to shippers. Do you know anything about that?

Mr. STEELE. No.

Mr. GOOD. What time?

Mr. STEELE. There is no date there.

Mr. WICKERSHAM. Of course I have a letter here in reference to it.

Mr. STEELE. But the Northwestern Steamship Co., if you mean by that the one that was owned by the Northwestern Commercial Co., went out of existence the 1st of January, 1908, or about that date, when this consolidation was made.

Mr. WICKERSHAM. Have you any interest in the Fairbanks country?

Mr. STEELE. No.

Mr. WICKERSHAM. Have you any negotiations looking to the purchase of ground anywhere in there?

Mr. STEELE. No, sir; at least, not that I ever heard of.

Mr. WICKERSHAM. Not that you know of. So that if any properties were bought in there last year in your name, you know nothing about it?

Mr. STEELE. No, sir.

The CHAIRMAN. And you do not know who owns the Sovereign Bank of Canada?

Mr. STEELE. No.

Mr. WICKERSHAM. And you do not know whether Mr. Morgan had a one-third interest in it?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. And whether he had \$1,700,000 of its bonds?

Mr. STEELE. No.

Mr. WICKERSHAM. Or do you know who owns the Alaska Central Railroad?

Mr. STEELE. I do not know who owns the Alaska Central Railroad. I have only understood that it was owned by English and Canadian capital, but I have no positive information on that subject.

Mr. WICKERSHAM. So far as you know, your people have no contractual relations with it, in any way, shape, or manner?

Mr. STEELE. I have no knowledge of any interest that our people own.

Mr. WICKERSHAM. Do you know whether Mr. Perkins had an option to purchase it two years ago?

Mr. STEELE. I do not know.

Mr. WICKERSHAM. Now, I will ask you again if you know anything about the Alaska Steamship Co. having any agreement with the White Pass Railroad in relation to rates?

Mr. STEELE. I do not know.

Mr. WICKERSHAM. You do not know anything about it?

Mr. STEELE. No, sir; I do not.

Mr. WICKERSHAM. But you do know that the Alaska Steamship Co. has a line running in connection with the White Pass and Yukon Road?

Mr. STEELE. I think so; but I am not positive about that, because I do not know the different points to which those steamers go. I am not familiar with it.

Mr. WICKERSHAM. Do you not know that your steamers do run from Seattle to the end of the White Pass Road at Skagway, first, then to the end of your road at Cordova, second, and then to the end of the 80 miles of railroad at Nome?

Mr. STEELE. I have understood, at least I think I have, that they go to Skagway. I know that they go to Cordova and Nome. I have been told that directly; but about Skagway I am not positive. I think they do, though.

Mr. WICKERSHAM. Yes. Now, have your people any relationship in any way with the Northern Commercial Co.?

Mr. STEELE. No; at least, not so far as I know. I never heard of the Northern Commercial Co.

Mr. WICKERSHAM. Have you any relationship with the Pacific Coast Steamship Co.?

Mr. STEELE. No.

Mr. WICKERSHAM. Now, do you know whether they have, or do you not know?

Mr. STEELE. No; I am only telling you about our interests in New York; the syndicate in New York.

Mr. WICKERSHAM. You do not know, then, what arrangements have been made in relation to these matters in Seattle?

Mr. STEELE. No; I do not.

Mr. WICKERSHAM. And do you know whether, then, your people in Seattle have made arrangements for joint use of your steamship line to Seattle and Skagway, and then over the White Pass?

Mr. STEELE. No, sir; that is all arranged out there.

Mr. WICKERSHAM. I show you a rate sheet of the Northwestern Navigation Co., in connection with the Alaska Steamship Co. and the Pacific Coast Steamship Co., and ask you if you know anything about that?

Mr. STEELE. No, sir; I do not. I can tell you that without looking at it.

Mr. WICKERSHAM. I file that with the committee for the purpose of showing that much of the connection. What arrangement, if any, that you know about, do your people have with the Canadian Pacific Steamship Co. running to Skagway?

Mr. STEELE. I do not know of any.

Mr. WICKERSHAM. You do not know anything about those relationships out there, do you?

Mr. STEELE. No, sir; I never heard of any with any of the railroads there.

Mr. WICKERSHAM. Now, I have here a statement of the joint passenger rate between the Northern Navigation Co., the Alaska Steamship Co., and the Pacific Coast Steamship Co. from Seattle to Tacoma or San Francisco, direct, to Alaska. You know nothing about that?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. I want to file that also with the committee. You spoke about Senator Guggenheim, here, the other day. Do you know whether he is interested in the Alaska Syndicate or not?

Mr. STEELE. He was. I do not know whether he is now or not.

Mr. WICKERSHAM. So far as you know, he is now, is he not?

Mr. STEELE. So far as I know; but I have no direct knowledge. Whether he sold his interest in it when he went out of business, or whether he still keeps it, I do not know.

Mr. WICKERSHAM. But you understood that he had—

Mr. STEELE. That he had an interest.

Mr. WICKERSHAM. Along with his other properties?

Mr. STEELE. Yes.

Mr. WICKERSHAM. And so far as you know, he still holds it?

Mr. STEELE. So far as I know. I do not know whether he sold it; but I have no information on that point, at all.

Mr. WICKERSHAM. Yes.

Mr. STEELE. I think I omitted to mention Mr. Isaac Guggenheim. He was one that went into it, also.

Mr. WICKERSHAM. Yes. Now, I want to call your attention just for a moment to a bit of your testimony that appears in the report of the Ballinger-Pinchot investigating committee. I can get that quicker in the report of the Senate committee. This is a portion of your testimony that has not yet been called to your attention. The chairman asked you this question:

"The CHAIRMAN. So that to-day any rights that accrue or may accrue to the Alaska Syndicate under this option thus taken up on December 7, 1907, still may be exercised as soon as the lands are patented?"

Mr. STEELE. That is our view.

Do you remember to have testified to that, Mr. Steele?

Mr. STEELE. Something to that effect, yes; if that is what it says there, I undoubtedly said that.

Mr. WICKERSHAM. Yes. Then the chairman asked you another question:

"The CHAIRMAN. Well, nobody else has any other view. Does anybody else hold any other view?"

Mr. STEELE. I do not know. I have seen statements in the newspapers—I do not know whether they are true or not—as coming from some of those claimants, that since the railroad was not built at Katalla, or built to Katalla, I should say, and Katalla made the terminus of the road, they considered that agreement void."

Is that a correct statement of that?

Mr. STEELE. I think so.

Mr. WICKERSHAM. So that you thought at that time you had rights under that optional agreement?

Mr. STEELE. No. I did not feel that at that time I was required to state that we considered we did not have any rights under that agreement at all. I said that so far as we were concerned we thought the agreement was still in force, and we were ready to live up to it.

Mr. WICKERSHAM. Yes; and you testified to what was stated there?

Mr. STEELE. Precisely; yes.

Mr. WICKERSHAM. Now, what interest did your people have in the railroad running out of Valdez?

Mr. STEELE. Well, at one time the Copper River & Northwestern Railroad was intended to come out of Valdez, and a good deal of work was done there.

Mr. WICKERSHAM. Yes.

Mr. STEELE. That part we owned.

Mr. WICKERSHAM. That part you what?

Mr. STEELE. We owned that. That was bought from Mr. Rosene and his associates.

Mr. WICKERSHAM. Yes.

Mr. STEELE. And that was the route that it was at first intended to occupy.

Mr. WICKERSHAM. Yes; and your people started to build a railroad from Valdez over to your copper mines?

Mr. STEELE. Yes; over in that direction.

Mr. WICKERSHAM. Yes; over in that direction.

Mr. STEELE. Yes. That was afterwards abandoned.

Mr. WICKERSHAM. And you then went to Katalla?

Mr. STEELE. We then went to Katalla.

Mr. WICKERSHAM. Yes; and then finally back to Cordova?

Mr. STEELE. Back to Cordova. We abandoned Katalla because we found we could not establish a breakwater there. We had been advised by the most eminent engineers that we could, but we found that the reports on which they had based their opinions—that is, as to the strength of the waves and the winds—were inaccurate, and we could not. We tried in the summer of 1907 to build a breakwater there. That was intended to have been the terminus of the road at that time.

Mr. WICKERSHAM. Now, do you own any other interests in Alaska except those we have talked about here?

Mr. STEELE. None except those I have mentioned or that you have discussed to-day.

Mr. WICKERSHAM. Yes.

Mr. STEELE. So far as I know.

Mr. WICKERSHAM. Do you know what proportion of the steamship business your people do in Alaska?

Mr. STEELE. I do not.

Mr. WICKERSHAM. Is it not true that the Alaska Steamship Co. and your two allied subsidiary, friendly companies, the Northern Navigation Co. and the Pacific Coast Steamship Co., do more than 95 per cent of that business?

Mr. STEELE. I can not tell you; but I would like to say that so far as my knowledge goes we have no allied companies, in that sense of the word. While we were constructing the railroad we sent up a great deal of material. We sent up a great deal of bridge material, supplies, rails, and everything of that sort, and of course we shipped all of those

things over the Alaska Steamship Co., and I remember that we found some fault with Capt. Peabody, who at that time was the president of the Alaska Steamship Co., because he had not got what we thought was his proportion of the outside business—by the outside business meaning that exclusive of the business that we gave, ourselves, in the material that we were sending into Alaska. Our view of it was that we had not got our proportion of it.

Mr. WICKERSHAM. Now let me ask you another question. Is it not true that at Valdez you people did everything you could, after you abandoned that town, to prevent the people of the Home Railway Co. from going to that town?

Mr. STEELE. No; we never did a thing.

Mr. WICKERSHAM. Is it not true that you even put men up in the canyon with instructions to shoot the men belonging to the Home Railway Co., and that Hasey, a man in your employ, did shoot them, and that he killed one man?

Mr. STEELE. That is true, that Hasey did shoot one man; but I am only giving you what Mr. Hawkins and others have told me. Hasey was a United States deputy marshal, sworn in, and put in charge of that property by the United States marshal of that district.

Mr. WICKERSHAM. That was done at the request of your people, was it not?

Mr. STEELE. I do not know.

Mr. WICKERSHAM. No.

Mr. STEELE. However, that was my information. Our men were there and in possession, and working on a cut which, comparing it to this room, was not quite so wide and a good deal longer. As I have been told, there were 25 or 30 of them there. A man by the name of Reynolds had organized what he called the Home Railway, and got a good many subscriptions.

Mr. WICKERSHAM. Gov. Brady was interested in it?

Mr. STEELE. I do not know about that. He got subscriptions from the people of Valdez, the subscriptions being payable, first, so much when so many miles were completed, and so much when he got so many more miles completed. They went on with the work and came up to where this cut of ours was, and I have been told by Mr. Hawkins, who was working there, that they had a force of from 200 to 250 men, and some people got up and spoke to these men and said, "Your only way of getting any money or anything is to jump this cut and take possession of it," and these 200 or 250 men attacked this small force of ours that were there at work, and the United States deputy marshal, Hasey, as I have been told, told them to stop and keep away, and they did not stop, and they came on, and he shot, and I think he killed one man, did he not?

Mr. WICKERSHAM. Yes.

Mr. STEELE. And wounded one or two more.

Mr. WICKERSHAM. Yes; and is it not true that your people are paying him while he is in the penitentiary?

Mr. STEELE. No, sir.

Mr. WICKERSHAM. \$5 a day?

Mr. STEELE. No, sir; that is not true.

Mr. WICKERSHAM. You defended him?

Mr. STEELE. Undoubtedly, we did. They came and told us that the United States officials were all against him instead of standing up for him, and we, out of motives of humanity, furnished money to conduct his defense.

Mr. WICKERSHAM. How much did you furnish?

Mr. STEELE. I can not tell you that.

Mr. WICKERSHAM. \$70,000?

Mr. STEELE. I do not know.

Mr. WICKERSHAM. Why did you do that? You are the attorney, and you ought to know. Was it out of a motive of humanity?

Mr. STEELE. Out of motives of humanity.

Mr. WICKERSHAM. Do you know Mr. W. H. Bogle?

Mr. STEELE. Yes.

Mr. WICKERSHAM. Do you know Mr. Carson?

Mr. STEELE. Yes; I have met him.

Mr. WICKERSHAM. Where is he?

Mr. STEELE. He practices law somewhere in the West; I do not know where.

Mr. WICKERSHAM. And Mr. Jarvis?

Mr. STEELE. Yes.

Mr. WICKERSHAM. And Mr. M. B. Morrissey?

Mr. STEELE. No. Those letters of yours are the only thing I have heard of here.

Mr. WICKERSHAM. You have seen these letters, have you not?

Mr. STEELE. Yes.

Mr. WICKERSHAM. What do you know about them?

Mr. STEELE. I can tell you all I know about them.

Mr. WICKERSHAM. Yes.

Mr. STEELE. I never heard of those letters or knew about them until some time last spring when I think you told Mr. Birch that you had letters of that kind.

Mr. WICKERSHAM. Yes.

Mr. STEELE. And Mr. Birch came down again, and—

The CHAIRMAN. May I interrupt you a moment? I do not know whether other members of the committee know more about these letters you refer to than I do, but I would like to know about them.

Mr. WICKERSHAM. Yes.

The CHAIRMAN. I think it would be a good idea for us to know more about them.

Mr. WICKERSHAM. I will read this to you:

SEATTLE, WASH., May 6, 1903.

Capt. D. H. JARVIS, Treasurer,
Lowman Building, Seattle, Wash.

MY DEAR CAPTAIN: The inclosed account of Mr. M. B. Morrissey has been submitted to me by him. I do not claim to have personal knowledge of all the items therein mentioned; necessarily I could not have such, but I do know that Mr. Morrissey was taking care of several of the Government's witnesses. I saw him take them into restaurants very many times (it was generally rumored around Juneau that the majority of the Government's witnesses were broken) and I have not the least doubt that Mr. Morrissey cared for them in the manner shown in his account.

In addition to this I wish to express my appreciation of the services rendered by Mr. Morrissey, not only in Juneau but also at Valdez during the session of the grand jury there. I found him very efficient and competent and his acquaintance with many of the Government's witnesses and control over them placed him in a position to be of the greatest possible service in defending this action.

I scarcely need tell you that Mr. Morrissey is an expert accountant employed by Mr. Heney at Cordova. He is anxious to return there

promptly to resume his duties and I trust that you will treat him in a very liberal manner.

Yours, very truly, JOHN A. CARSON.

(Entered. Voucher No. 3408.)

The CHAIRMAN. Now, who is John A. Carson?

Mr. WICKERSHAM. I am going to ask him who John A. Carson was. He was your attorney in the Hasey case?

Mr. STEELE. He was not our attorney. He was the lawyer in the Hasey case.

Mr. WICKERSHAM. Yes; he was the lawyer in that case, and was paid by your people?

Mr. STEELE. I so understand. Now I will go on and tell you what I knew of that.

Mr. WICKERSHAM. I will give these papers to you in a moment. Now I will read the account. It is as follows:

SEATTLE, WASH., May 6, 1908.

Katalla Co. in account with M. B. Morrissey.

Moneys received from John A. Carson	\$650.00
Balance due me	483.40
	<u>\$1,133.40</u>

DISBURSEMENTS.

Expense on S. S. Farallon, Cordova-Juneau	5.00
Occidental Hotel, for M. B. Morrissey	22.60
Occidental Café, for witnesses	75.00
Alaska grill, for witnesses	195.00
Cash to—	
Jimmy Kelly	37.00
J. E. O'Riley	75.00
F. Rummel	9.00
J. A. Briggs	10.00
Tom Corcoran	10.00
Wm. Garster	12.00
Whitely Graham	26.00
Expense entertaining witnesses and jurymen	200.00
Personal expense for March and April	270.00
Expense, cable, F. E. Youngs	3.80
Hotel Seattle, 6th to 8th (estimated)	15.00
Rent of typewriter	2.00
Stationery, etc	1.00
Expense incurred at Valdez during grand-jury session	120.00
Ticket, Seattle-Cordova, deduct	45.00
	<u>1,133.40</u>
	45.00
	<u>1,088.40</u>
	650.00
	<u>438.40</u>

(Entered. Voucher No. 3408.)

Approved.

W. H. BOGLE.

Mr. WICKERSHAM. Now, you say Mr. Bogle is the general counsel at Seattle?

Mr. STEELE. Yes.

The CHAIRMAN. To whom is this letter addressed?

Mr. WICKERSHAM. This letter is addressed to Capt. D. H. Jarvis, treasurer, Lowman Building, Seattle, Wash.

The CHAIRMAN. Who is he?

Mr. WICKERSHAM. He is treasurer of the Alaska syndicate?

Mr. STEELE. No; he is treasurer of the Northwestern Commercial Co. and the Alaska Steamship Co.

The CHAIRMAN. Who is Heney?

Mr. WICKERSHAM. He is a contractor.

The CHAIRMAN. Who is Mr. Morrissey?

Mr. WICKERSHAM. He is one of their expert witnesses.

Mr. GOOD. I would suggest that if this witness says he knows nothing about that, Judge WICKERSHAM had better put that in his own time.

Mr. STEELE. I know this, Mr. Good, that we never heard of this, and when we read this letter we were very much shocked, and we got a copy of that letter and sent it to Judge Bogle, and Judge Bogle, and I think Mr. Carson, sent a letter in reply to some committee of the Senate last year.

Mr. WICKERSHAM. Yes.

Mr. STEELE. And I think you will find that that matter on its face reads very, very badly, but it is all capable of a perfectly fair and honest explanation. What I wish to say, Mr. Chairman, is that, so far as the syndicate is concerned, we knew nothing of it at all before we found it out from Judge WICKERSHAM. That account and the letter were stolen from the files of the Commercial Co. by the auditor, Douglas, who approved the claim, and on whose approval it was paid. That auditor never made the slightest objection to a single official of the company out there; he never said a word to us in New York about it, but he approved the claim, and the claim was paid. Then he stole that letter and the account from the files of the company, and the first we in New York ever heard of it was when Judge WICKERSHAM told Mr. Birch about it.

Mr. WICKERSHAM. You say he approved it officially?

Mr. STEELE. Yes; if you will get the original of the voucher, you will see "Approved, so and so, Douglas." Not that account. He drew the voucher for so much money, and he marked that "Approved."

Mr. WICKERSHAM. Now, do you not know that it is a fact that when these items were passed—this and a lot of other graft items of a similar kind—they were turned over to Douglas rather than to put them into your records out there, and he was told to keep them? Is not that correct?

Mr. STEELE. I am told by the people out there—

Mr. WICKERSHAM. Now, what do you know about that?

Mr. STEELE (continuing). That that is not correct. Of my own knowledge, I have no knowledge at all about it.

Mr. WICKERSHAM. You know, of your own knowledge, nothing about it? He was your auditor at that time?

Mr. STEELE. He was the auditor and approved the account, and made no objection, and then he stole the papers, and the first we heard of what you are saying was when you told us—

Mr. WICKERSHAM. Yes.

Mr. GUERNSEY. Will you not state what you think was the object of stealing that letter under those conditions—the theory as to that?

Mr. STEELE. I should not like to say, Mr. Guernsey; I suppose the object was to use them against the Alaska Syndicate.

Mr. GUERNSEY. Yet he was in the employ of the Alaska Syndicate?

Mr. STEELE. He knew that he was going to be discharged.

Mr. GUERNSEY. Oh, he did?

Mr. STEELE. Yes; and it has always seemed to me that if anything wrong had been done by any of those gentlemen out there the proper thing would have been to have had them indicted, or not to have them indicted, because the grand jury might not have done that, or to have had the matter called to the attention of the authorities out in Seattle, where those gentlemen would be present and where proper proceedings might have been had, and if they had done anything wrong they could be punished; but so far as the syndicate is concerned they never heard of it and knew nothing about it until it was brought to their attention here.

Mr. WICKERSHAM. Did you ever see the receipt for \$3,000 that went to bribe a deputy district attorney?

Mr. STEELE. I never did.

Mr. WICKERSHAM. You never heard of it?

Mr. STEELE. No, sir.

Mr. GUERNSEY. Had that auditor definite knowledge that he would be asked to resign at that time?

Mr. STEELE. Yes, sir.

Mr. WICKERSHAM. Of course, that is not true. (See note at close of hearing.)

Mr. LLOYD. Why?

Mr. STEELE. Because he really undertook to take charge of these companies.

Mr. LLOYD. Not because of this incident?

Mr. STEELE. Oh, no. Nobody knew anything about this. In fact, when we first wired out there, when Mr. WICKERSHAM made his statement about it, they answered and said that they had nothing there, and then Mr. WICKERSHAM let us have a copy of that letter and we sent it out and they traced it up.

Mr. WICKERSHAM. Do you not know that I gave a copy of it to the Attorney General when I first had it?

Mr. STEELE. No; I did not know anything about that.

The CHAIRMAN. When was this charge?

Mr. WICKERSHAM. When was the Hasey case tried?

The CHAIRMAN. Yes.

Mr. WICKERSHAM. The Hasey case was tried about April or May, 1908.

The CHAIRMAN. And who was the attorney employed for the defense of Hasey?

Mr. WICKERSHAM. John A. Carson.

The CHAIRMAN. John A. Carson?

Mr. WICKERSHAM. Yes.

Mr. STEELE. What I wish to try to make clear, Mr. Chairman and gentlemen of the committee, is that, so far as this syndicate was concerned, it had nothing at all to do with it; so far as we have been advised by Judge Bogle, Mr. Jarvis, and Mr. Carson, whom I saw in Seattle this spring, the transaction was perfectly honest. On its face it looks bad; but I say, if there is anything wrong about it, the proper way to do is to bring it to the attention of the proper grand jury at Seattle, and have the proper proceedings, and give these gentlemen a chance to be heard, and if they are guilty, have them punished.

The CHAIRMAN. Now, Judge WICKERSHAM has stated that it cost \$70,000 to defend Hasey. Had not the syndicate knowledge of the items entering into that sum total of \$70,000?

Mr. STEELE. No, sir; it was all of it in the West. We had no knowledge of that at all; and I would say that Mr. Carson told me that the reason that amount was so high was that the expense of witnesses was tremendous. I think one of the witnesses had to come from the Arctic Circle.

Mr. WICKERSHAM. Morrissey.

Mr. STEELE. They had to come through all kinds of weather and be kept there; and they paid the witnesses, they said, exactly the same fees as were paid the witnesses for the Government. And in regard to the Government's witnesses there, allow me to say this: That Mr. Carson said that the Government had summoned a great many witnesses there to testify against Hasey and when they got there the Government found that their testimony would be favorable to Hasey, and then the Government did not want them, and Carson kept them there—kept them as witnesses for the defense.

Mr. SOUTHWICK. Was this man Hasey the man that defended your property against this mob?

Mr. STEELE. Yes; he was a deputy marshal of that district.

Mr. SOUTHWICK. He defended your property against this mob at Valdez?

Mr. STEELE. Yes; he tried to.

Mr. WICKERSHAM. What about this expense of entertaining witnesses and jurymen?

Mr. STEELE. That is a thing that is done in Alaska. After the first trial was all over, then the counsel for the defense gave the jury and some of the witnesses some kind of an entertainment. I suppose it is a little exaggerated form of what we have in the East. When a man has been acquitted in the East the accused and his counsel go up and shake hands with the jury.

Mr. WICKERSHAM. You have seen what has been put in about a contract on coal for the United States forts, have you not?

Mr. STEELE. I saw that, I think, Judge, in a Seattle paper, or some western paper.

Mr. WICKERSHAM. I want to call it to the attention of the committee, but I will not do so now. You have seen it?

Mr. STEELE. Yes.

The CHAIRMAN. You referred to a voucher for \$3,000 a moment ago, Judge WICKERSHAM.

Mr. WICKERSHAM. Yes; I have it here. I will present it to the committee a little later.

The CHAIRMAN. Very well.

Mr. STEELE. Now, I would like the committee to understand—

The CHAIRMAN. I was going to suggest that, if you comment on it, Mr. Steele ought to be given an opportunity to say something about it.

Mr. WICKERSHAM. Yes; he knows about it.

Mr. STEELE. No; I do not.

Mr. WICKERSHAM. Oh, well; I will show it to you.

Mr. STEELE. And I want to say, so far as the Alaska Syndicate is concerned in any way, we know nothing about these matters that Judge WICKERSHAM is bringing up here; and I think if anything wrong has been done—I may take the wrong view of it—the thing to do is to bring the proceedings through the proper officials in the West where these men are located, and if they have done wrong have them punished. We are not responsible. [After examination of receipt.] No; I have never seen this at all.

Mr. LLOYD. Mr. Steele, if \$70,000 of your money was improperly spent, how does it happen that you on your part do not make an investigation and punish those who may be guilty of wrongdoing?

Mr. STEELE. Why, those men tell us that the money was properly spent.

Mr. LLOYD. They claim that the money was properly spent? Mr. STEELE. Absolutely. Judge Bogle and Mr. Carson have assured me that the money was absolutely properly spent. I saw them last year in Seattle, and Judge Bogle and Mr. Carson said they were there, ready and willing to meet any officers of the United States Government or the Department of Justice or anybody else, and make the whole thing perfectly clear.

Mr. SOUTHWICK. They are both lawyers?

Mr. STEELE. Yes. They are both lawyers, and men of high standing. Mr. HOUSTON. Mr. Steele, I have not had an opportunity to keep up with all this.

Mr. STEELE. Yes.

Mr. HOUSTON. This was in the trial of the man Hasey?

Mr. STEELE. Yes.

Mr. HOUSTON. Who was tried there for shooting a man in this trouble over the road?

Mr. STEELE. Yes.

Mr. HOUSTON. And the result of his trial was a conviction?

Mr. STEELE. I think he was convicted on the second trial; was he not, Judge?

Mr. WICKERSHAM. Yes.

Mr. HOUSTON. What was the result?

Mr. WICKERSHAM. He was sentenced to 18 months in the penitentiary.

Mr. STEELE. Yes.

Mr. WICKERSHAM. Do you know that the man he shot was walking along with his pick and shovel on his back, going to work?

Mr. STEELE. No; I have heard that they had 200 or 250 men there trying to rush this little band of our people; trying to take possession of this property.

Mr. LLOYD. Mr. Chairman, we will have to go to the House, and I understand now that Judge WICKERSHAM is through with this witness. The CHAIRMAN. Have you finished?

Mr. WICKERSHAM. Yes; with this witness. He does not know anything about the things that I wanted to find out about.

The CHAIRMAN. This meeting was called this morning at 9 o'clock because, as I understood, the committee had arranged to permit Judge WICKERSHAM to submit some inquiries to Mr. Steele, and a committee meeting was called for yesterday at 10 o'clock, but the House convening unexpectedly at 10 o'clock, which was not expected at the time that meeting of the committee was fixed yesterday at 10 o'clock, in fairness to Mr. Steele, who had come from New York for the purpose of submitting himself to this inquiry, it was thought necessary to call this meeting at 9 o'clock this morning. Now, I would like to ask, Mr. Steele, if you desire to be heard further before the committee?

Mr. STEELE. No, sir; only one thing I wish to say to this committee.

The CHAIRMAN. I want to say this because I assume that this will be the last time that you will be before the committee and Judge WICKERSHAM has finished his examination and the time is short and we have another matter pending: If there is anything by way of supplement that you desire to add here you should state it now.

Mr. STEELE. It is only this one thing, Mr. Chairman, that so far as the Alaska Syndicate itself is concerned, and the gentlemen here who are in charge of it, we have had nothing to do, and did not know of these matters of which Judge WICKERSHAM has just spoken until last spring, when Judge WICKERSHAM told Mr. Birch about them. We at once started an investigation, because the letter which Judge WICKERSHAM reads would make anybody—I do not care who he was, reading it—think that something wrong had been done. We sent out to those gentlemen a copy of that letter, and they sent back full explanations of it. Last spring I talked with them, and they explained the whole thing as a perfectly honest and fair transaction. And whether it was honest and fair or whether it was not, the Alaska Syndicate ought not to be blamed for it. It had nothing to do with it. Those gentlemen, if they have done wrong—and they say they have not—can be brought to account for it. They say they are ready to meet any charges that may be brought against them, either by Congress, by the grand jury, or anybody; but it seems to me that in common fairness to them matters of this kind ought not to be considered by this committee; that the charges against these gentlemen ought to be made where they will have an opportunity to appear and defend themselves and give their side of the story.

Mr. SOUTHWICK. You have made an examination of these matters, and you have retained these men in your employ, and think they are all right, then?

Mr. STEELE. Yes; the explanation that Mr. Bogle and Mr. Carson gave me was that the whole transaction was absolutely honest.

Mr. SOUTHWICK. I would like to ask Judge WICKERSHAM, then, why they are not prosecuted, if they are guilty?

Mr. WICKERSHAM. I can not tell you that. I gave that information to the Attorney General a year ago. The statute of limitations will run against it in a few months.

Mr. Candler. You say they made a statement with reference to it that was entirely satisfactory to you?

Mr. STEELE. They did to me, and I understand, Mr. Bogle, and possibly Mr. Carson, made an explanation to a committee of the Senate last spring. Perhaps Judge WICKERSHAM can tell you about that. This matter was brought up before some Senate committee last year. I saw notices of it in the newspapers. I was not present at all; but those gentlemen themselves sent statements to that committee.

Mr. WICKERSHAM. I never have seen any statement of that.

Mr. Candler. They did not send any written statement about it?

Mr. STEELE. Judge Bogle did. He sent me a statement as soon as we got a copy of that letter from Judge WICKERSHAM.

Mr. Candler. Will you file a copy of that statement with the committee?

Mr. STEELE. Certainly I will, if you gentlemen wish it. I did not see that it had any bearing on this particular question. I did not know that this was coming up.

The CHAIRMAN. What is that statement of Judge Bogle?

Mr. STEELE. It is Judge Bogle's statement explaining about the expenditures of Mr. Carson.

The CHAIRMAN. It is correspondence, I suppose, between the officers of this syndicate?

Mr. STEELE. Yes.

Mr. Candler. I just suggested that Mr. Steele might want to file that. I did not know whether he wanted to do it or not.

Mr. STEELE. I will file it, because I think that this letter unquestionably looks bad on its face.

Mr. WICKERSHAM. And the facts are a great deal worse.

Mr. STEELE. The facts are all right. It has given me very great pleasure to be here, Mr. Chairman, and I am very glad that Judge WICKERSHAM and I have come together on this.

The CHAIRMAN. Before we pass to the consideration of the New Mexico constitution, I desire to ask Judge WICKERSHAM if he desires to be heard?

Mr. WICKERSHAM. Oh, yes, indeed, I do. I have not been heard at all. These gentlemen have just finished their presentation of this matter. I will not take more than half or three-quarters of an hour, I think, and I will do it any minute that the committee will hear me.

Mr. SOUTHWICK. They have unlimited time for you, Judge.

Mr. WICKERSHAM. Thank you.

The CHAIRMAN. Perhaps the committee can agree upon a time later on, then. Without objection, the committee will now proceed to the consideration of the New Mexico constitution.

Mr. STEELE. I am excused, then, Mr. Chairman?

The CHAIRMAN. Yes. Mr. Steele calls my attention to the fact that he was proceeding to read a statement in explanation of his testimony given before when Judge WICKERSHAM interrupted him.

Mr. STEELE. Yes; a statement in reply to Mr. LLOYD's remark.

Mr. LLOYD. That should be filed.

The CHAIRMAN. Do you desire that to be printed as a part of your hearing?

Mr. STEELE. Yes.

The CHAIRMAN. Is there objection? Without objection, it will be so ordered.

(Thereupon the committee proceeded to other business.)

(The statement of Mr. Steele above referred to, including the letter of Mr. Eccles of January 14, 1910, follows:)

Mr. Chairman, before proceeding with my further examination, I desire, with the committee's permission, to bring to its attention some further facts which have come to my notice since its last session.

First. That the people of Alaska are heartily in favor of legislation that will encourage railroad construction there. This was pointed out by the Delegate from Alaska in his statement to your committee on March 28, 1910.

Second. That letters, I understand, have been addressed to your committee by representatives of the Alaska Northern Railway Co. and the Controller Bay Railway & Navigation Co., urging the passage of legislation that will encourage railroad construction in Alaska, and those railroads favor some provision along the lines of the amendments we have submitted for your consideration.

Third. That in April, 1910, when your committee had under consideration the bill to extend the time of the Council City & Solomon River Railroad and to relieve it from license tax for a limited period, the measure had the support of the Delegate from Alaska, who made some remarks to your committee in its favor—the bill, without opposition from him, afterwards passing the House.

Fourth. That on January 14, 1910, Mr. Eccles, president of the Copper River & Northwestern Railway Co., addressed a letter to the chairman of your committee, which explains why the pending amendments are submitted, and which is as follows:

NEW YORK CITY, January 14, 1911.

HON. E. L. HAMILTON,

Chairman Committee on the Territories, House of Representatives, Washington, D. C.

DEAR SIR: There is pending before your committee Senate bill No. 6316, which proposes to relieve the Copper River & Northwestern Railway Co. from the license tax of \$100 per mile per annum, imposed by the act of June 6, 1900, and from tax upon its property during the period of construction and for five years thereafter, provided construction proceeds in good faith.

The bill was introduced in the form presented, because laws containing similar provisions had been passed for the benefit of the Alaska Central Railroad by the act of June 30, 1906 (34 Stats., 798), and the Tanana Mines Railroad by act of March 2, 1907 (34 Stats., 1233), and it was assumed that the same encouragement which Congress had thus extended to the companies named would not be withheld from the enterprise with which I am connected that means so much for the upbuilding of Alaska.

I would further state that our company's counsel at Washington inform me that before said bill was introduced they submitted the same to Hon. JAMES WICKERSHAM, Delegate from Alaska, in the hope of obtaining his support thereof. At the interview with him I am told that Mr. WICKERSHAM was frank to say that he could not become a champion of the bill, but voiced the view that if it was right to relieve other railroads in Alaska from taxation as proposed in the bill it was right that it should be done as to the Copper River & Northwestern Railway Co.; that he realized Alaska needed railroads; and that such enterprise should be encouraged; and that he would be willing to so state publicly before a proper committee, if necessary.

It was after this conversation with Mr. WICKERSHAM that the bill was introduced in the Senate.

Later, when the measure had passed the Senate, our counsel again saw Mr. WICKERSHAM, as they informed me, for the purpose of ascertaining his then attitude with respect to the bill. My information is, that at this interview, he informed said counsel that he had determined to oppose the bill on two grounds—first, because, in his judgment, it was wrong to exempt the property of railway companies in Alaska from general taxation since such action would impose unjust burdens upon other holders of property there, particularly in municipalities; and second, because he had become definitely opposed to the practice of singling out particular railroads for relief from the license tax. Mr. WICKERSHAM then remarked, as I am advised, that he regarded the license tax or fee as an unjust and unwise tax and that he would support a general provision which would relieve all Alaskan railroads from that tax, but he held it to be unfair for Congress to single out one railroad for such relief, and yet impose the burden of the tax upon another, and he made the suggestion, that if our bill became a law, our road would be relieved from the tax, while the White Pass & Yukon Railroad would have to pay it; and that, while he thought all railroads should be relieved from that tax, he would oppose the granting of such relief to particular railroad companies as wrong in principle.

This company agrees with the view of Mr. WICKERSHAM that the license tax is an unjust and an unwise one. The cost of railroad construction in Alaska is far beyond what such construction in the United States proper could be. This company has already expended upon about 146 miles of road a sum exceeding \$14,000; the population of Alaska is small and scattered, and the railroads must themselves create business

in the territory they serve. Business being small, particularly during the construction period, and for a long time afterwards, years must elapse before the matter of operating expenses can be paid by the traffic, to say nothing of affording any interest on the large investment; and as Alaska needs railroads, and their construction should be encouraged, the license tax of \$100 a mile imposes an unjust burden which operates discouragingly upon railroad construction and operation. It is plain that the tax can not be beneficial to Alaska or its people, and that it should be removed, at least until conditions would justify its restoration, there can be no room for doubt.

If it should be the mind of your committee that the company's property should not be exempted from general taxation, as proposed in the bill, notwithstanding such provision was made for the two companies named herein, it will be of great benefit if the license tax shall be removed, either by the passing of the bill to be amended and so limited, or by the passing of a general bill as suggested by Mr. WICKERSHAM, which could be accomplished by amendment of the bill now before your committee.

Some intimation has been made that the interests behind the construction of the Copper River & Northwestern Railway are building the same as a private enterprise, simply for the purpose of affording an outlet for the mineral taken from mines owned by the promoters of the railroad company. Nothing could be further from the truth. As a matter of fact the railroad has already cost more than \$14,000,000, as before remarked, and several millions more must be expended before it can be constructed to the mines referred to. Those mines cost the interests mentioned \$3,000,000, and the highest estimate of mineral contained therein that has been made amounts to \$6,000,000. Considering the cost of the railroad, it will be apparent that there must have been some other purpose in view in the construction of this railroad than merely the marketing of the minerals in the mines referred to.

Further, if the exploiting of these mines had been the real aim of the company's promoters, it would have been unnecessary to have indulged in the expensive construction of a standard-gauge railroad. A narrow-gauge road could, in that view, have been provided much more economically.

It is plain, therefore, that the real purpose of the promoters was far beyond the mere matter of affording an outlet for the ores in their mines, and that in constructing the standard-gauge railroad their aim was to benefit and aid in the development of the various resources of interior Alaska and to encourage its settlement and upbuilding. On this subject I said in my letter of December 14, 1908, to the honorable Commissioner of the General Land Office, as follows:

"It is our intention, as future conditions shall warrant, to extend our line until we have an American railway of standard gauge reaching from the Pacific Ocean to the Yukon River."

"Finally, I beg to say that, while it is thought that in the course of time the enterprise will prove profitable, its undertaking was influenced to no inconsiderable degree by a feeling of just pride in those who undertook it that they would be remembered as men who had contributed, by their courage and personal means, to the permanent development and settlement of the important Territory of Alaska, whose great resources must necessarily have remained dormant and its land unoccupied until adequate transportation facilities were supplied."

I trust this letter may not be regarded as an intrusion, and that it will not be inappropriate for me to ask that it be read to your committee when the bill referred to is taken up for consideration, since it will not be possible for me to appear in person before it, as urgent business calls me to Mexico to-morrow for an indeterminate period.

Very respectfully, your obedient servant,

S. W. ECCLES,

President Copper River & Northwestern Railway Co.

The amendments referred to are in the record. One provides for the repeal of the license tax. This would benefit all railroads in Alaska. The other amendment would only benefit railroads now or hereafter under construction in Alaska, and would relieve them from license tax during the period of construction and for five years thereafter; and if construction be unreasonably delayed, only that portion of the road built before such delay took place would be relieved from the tax for the five years' period after construction. It also provides that the total period of exemption in any case should not exceed 10 years.

This period of relief is the same as that provided by the act of June 30, 1906, for the benefit of the Alaska Central Railway Co., that of February 21, 1907, for the benefit of the Valdez-Marshall Pass & Northern, and the amendment of that act by the act of March 2, 1909 (except that four years after construction, instead of five, was provided in these two acts), and by the act of March 2, 1907, for the benefit of the Tanana Mines Railroad.

The situation with respect to the Council City & Solomon River Railroad is anomalous. On January 18, 1905, Congress passed an act for the benefit of the Western Construction Co., which was building that road, exempting it from the license tax for a period of five years on certain conditions. The conditions not having been performed, the Council City & Solomon River Railroad Co. again asked for relief. This time a bill was passed for the benefit of that company, dated January 11, 1906, exempting it from the license tax until December 31, 1909. The company again came to Congress for relief, and bill was reported out of this committee April 6, 1910, relieving it from the license tax from December 31, 1909, to one year from the passage of the act. If this bill becomes a law between now and March 4, the company will have had relief from the license tax until March, 1912. It appeared in the hearing before your committee that the company had constructed no road since 1906, and if the bill becomes a law it will have had more than five years' relief from the license tax after the cessation of construction, and hence that company's case will represent no departure from the principle that at least five years' relief from the license tax after stopping construction should be given to the Alaska railroads, as indicated in the legislation referred to.

It will be seen, therefore, that the amendment of the pending bill now before the committee, which provides for relief from taxation during construction, and for 5 years thereafter, with a limitation of 10 years in all, is practically the same as that which has been given to all other railroads in Alaska which have asked for relief that have actually constructed and operated railroad mileage.

[Telegram.]

SEATTLE, WASH., February 17, 1911.

S. W. ECCLES,
165 Broadway, New York City:

Paid license fee for operation of railroad July 20, 1909, to mile 55; July 1, 1910, to mile 109; September 17, 1910, to mile 131—Chitina.

We have never at any time charged for transporting freight and passengers over any part of line for which license fee was not paid.

Before completion of Miles Glacier Bridge over Copper River we handled a few small shipments for some merchants in vicinity of Tikel, charging tariff rates to bridge. Freight was then transported across river by teams, barges, or hand, and thence by rail by contractor, for which charge of \$4.50 per ton was made to cover actual cost of labor and for which separate bill was made. This was before that section of road had been completed or turned over to this company. One shipper furnished teams and labor to handle his own goods and assist us in handling our coal across river, in which case we allowed him credit and made no handling charge against shipment beyond bridge.

Passengers have been carried over the incomplete and unlicensed line free of charge until line was turned over for operation and license paid, but never has any charge been made over the unlicensed line.

No freight handled by rail between mile 109 and Chitina for which any charge was made until license was paid.

We handled some commercial freight when conditions permitted from river landing at mile 109 up Copper River by steamer for which we charged full rates, as provided in our tariff, but this was not done until we had paid license for railroad haul.

Since completion of line and payment of license to Chitina, in September, we have hauled freight to the vicinity of Steina Creek, mile 146, for E. R. Gray, Northern Development Co., and others, for which we charged rate to Chitina, and carried freight beyond free as matter of accommodation.

There is no ore to move on the present operated line; hence no necessity for ore tariff. Tariffs are prepared and ready for publication as soon as the next section of line is put into operation and license paid, and prospective shippers generally have already been advised what rates will be.

J. H. YOUNG.

(The following papers were submitted by Mr. Wickersham:)

SEWARD, ALASKA, May 13, 1909.

Northwestern Steamship Co., Seattle, Wash., in account with Brown & Hawkins.

To 15 per cent rebate, as per original expense bills here attached:

Bill of lading No. 254, freight charges, \$2.45, rebate 15 per cent. \$0.36 1/2
Bill of lading No. 255, freight charges, \$7.50, rebate 15 per cent. 1.12 1/2
Bill of lading No. 257, freight charges, \$14.40, rebate 15 per cent. 2.16

Steamship Santa Clara. Voyage 31.

[Cover.]

NORTHERN NAVIGATION CO., IN CONNECTION WITH ALASKA STEAMSHIP CO.; PACIFIC COAST STEAMSHIP CO.
THROUGH FREIGHT TARIFF.

N. N. Co., No. 10-A. A. S. S. Co., No. 71. P. C. S. S. Co., No. A-15.
Between Seattle or Tacoma or San Francisco, by direct sailing, and points on Yukon, Tanana, and Koyukuk Rivers, in Alaska, via St. Michael.

Effective with opening of navigation. Season, 1909. Shipments for Koyukuk River points will not be accepted after August 1, nor for Yukon and Tanana River points after August 25, excepting by special agreement with authorized agent of the companies at Pacific coast point of origin. Subject to change without notice.

M. L. Washburn, vice president and general manager Northern Navigation Co.; John H. Bunch, freight and passenger agent Alaska Steamship Co.; H. C. Cantelow, general freight agent Pacific Coast Steamship Co.; R. D. Pinneo, assistant general freight agent Pacific Coast Steamship Co.

SAN FRANCISCO, May 1, 1909.

NORTHERN NAVIGATION CO., IN CONNECTION WITH ALASKA STEAMSHIP CO.; PACIFIC COAST STEAMSHIP CO.

Passenger bulletin No. 11-E, naming through rates from Seattle or Tacoma or San Francisco direct to Iditarod River.

First class \$115
Steerage passage to St. Michael, first-class passage St. Michael to destination 90

Delivery of passengers will be made at the head of steamboat navigation on the Iditarod River. The judgment of the master of the steamer to decide what is the head of steamboat navigation on her then voyage.

Wm. Kincaid, general freight and passenger agent, Northern Navigation Co.; J. H. Bunch, freight and passenger agent, Alaska Steamship Co.; C. D. Dunann, general passenger agent, Pacific Coast Steamship Co.

SAN FRANCISCO, April 19, 1910.

NOTE.—After the close of this hearing the chairman received from Mr. Steele a letter in part as follows:

"On reading over the stenographic notes of the last hearing before the House Committee on Territories I find, at the bottom of page 63, that Mr. Guernsey asked the following question:

"'Had that auditor a definite knowledge that he would be asked to resign at that time?'"

"To which I replied: 'Yes, sir.'"

"Judge Wickersham remarked: 'Of course, that is not true.'"

"I did not hear the remark of Judge Wickersham's, on page 64 of the stenographic notes, and I am told that it was made as a side remark to Mr. Lloyd. If I had heard the remark I should have demanded a full and ample apology from Judge Wickersham, and in the event of his refusing to make such apology I should have declined to answer any further questions put by him."

EXHIBIT B.

A NATIONAL COAL MONOPOLY IN ALASKA.

Speech of Hon JAMES WICKERSHAM, of Alaska, and proceedings in the House of Representatives (February 23, 1911) on the bill to provide for the leasing of coal lands in the District of Alaska, and for other purposes.

[Memorandum.]

A. B. Campbell, Clarence Cunningham, and M. C. Moore, acting for themselves and certain parties associated with them, as hereinafter explained and hereinafter called the vendors, make the following rep-

representations and proposals to Daniel Guggenheim, of the city of New York, hereinafter called the vendee.

The said Cunningham, Campbell, and Moore, with 30 other parties, have acquired by purchase from the Government of the United States, under the Federal coal-land laws, 33 tracts of coal land of 160 acres each, aggregating 5,280 acres, situated in the Kayak recording district of Alaska, near the Bering River, about 25 miles from Katalla, and also have acquired certain inchoate water rights on Lake Kustakaw intended to be used in the exploitation of said properties.

The title to these lands rests in final United States receiver's certificate of entry, issued one to each of said 33 persons, and the papers in application for patent are now before the Commissioner of the General Land Office for his action thereon.

In order to consolidate the several interests for the purpose of dealing with said properties as an entirety, it has been determined that each of said entrymen shall convey his title to his individual tract to the Union Trust Co., of Spokane, Wash., in trust, for the purpose of transmitting or dealing with the title to the consolidated tract in such manner as shall be directed by C. J. Smith, R. K. Neill, H. W. Collins, Frederick Burbridge, Fred H. Mason, A. B. Campbell, and Clarence Cunningham, or a majority of those acting as a committee of said entrymen appointed for that purpose.

Conveyances by some of said entrymen to said trust company have been executed and delivered, and it is contemplated that all will execute similar conveyances within a short time.

A meeting of said entrymen was recently held at the city of Spokane, in which 25 out of the 33 participated. At said meeting a resolution was unanimously passed authorizing said committee, or a majority of them, to enter into negotiations with parties with a view to the equipment, development, and operation of the consolidated property and the sale of its product.

Acting for themselves and as such committee representing their associates, under said resolution, they submit to Mr. Guggenheim for his consideration the following proposal:

1. A corporation shall be formed under the laws of some State of the Union under which laws meetings of directors may be held without the State of incorporation, the capital stock to be unassessable and no individual stockholders' liability.
2. The capital shall be \$5,000,000, divided into 50,000 shares of the par value of \$100 each.
3. There shall be 7 directors, 3 to be named by the vendors, 3 by the vendee. The seventh director shall be designated by the 6 named by the parties.
4. The title of all of said properties, including said inchoate water rights, shall be transferred to said corporation, in consideration for which there shall be issued to said vendors 25,000 shares of said capital stock.
5. The other half of said capital stock, viz. 25,000 shares, shall be deposited in escrow with the Bank of California, Seattle, with instructions to make delivery of same to Mr. Guggenheim or his nominee upon his payment to said depository, to the credit of said corporation, of the sum of \$250,000, or at the rate of \$10 per share. Said \$250,000 shall be paid in such sums and at such times as may be called for by the board of directors. Said money to be considered as "working capital," to be expended by said corporation in the equipment, development, and operation of said properties. As payments are made by Mr. Guggenheim to said bank the bank shall be authorized to deliver to him one share of stock for each \$10 so paid by him. Mr. Guggenheim shall have the privilege of paying said entire amount of working capital at any time, and thereupon to receive the entire 25,000 shares of said stock.
6. Should said sum of \$250,000 prove inadequate for the purpose of equipping and developing said property, Mr. Guggenheim shall advance or loan to the corporation an additional sum of money not exceeding in the aggregate \$100,000, the corporation binding itself to repay such advances on or before three years after the date of making the same, at the option of the board of directors of said corporation, with interest at 5 per cent per annum.
7. Said corporation shall enter into an agreement giving to said Guggenheim or his nominee the exclusive right to purchase, for the period of 25 years, the entire "run of mine" coal mined from said property, or so much thereof as said Guggenheim or his nominee may require or demand, for the sum of \$2.25 per ton of 2,240 pounds. The coal is to be delivered at the mine, either in bunkers to be provided by the corporation for that purpose or upon cars, as said Guggenheim or his nominee may direct. Said Guggenheim or his nominee shall use their best endeavors to make a market for the coal in Alaska and in the ports and cities of the United States, to the end that as large a quantity of coal as possible may be mined. Said Guggenheim or his nominee shall agree to purchase all coal which they may require for use or sale from said corporation.
8. Payment for all coal so delivered to said Guggenheim or his nominee shall be made monthly, upon the basis of weights determined by the mine superintendent, such payments to be made at such place as may be directed by the corporation.
9. The corporation shall convey to such railroad company as may be designated by said Guggenheim, and which shall construct a railroad from tidewater to said mines, sufficient ground from its holding upon which to establish and maintain its tracks, switches, depots, terminals, stations, and other railway facilities.
10. The corporation shall further agree to sell and deliver, during the period of 25 years, to such railroad company as may be designated by said Guggenheim and which may construct a railroad from tidewater to the mines, all coal which may be required by said railroad company for consumption in its locomotives, shops, stations, and other facilities employed in the construction, maintenance, and operation of its railway for the sum of \$1.75 per ton of 2,240 pounds, deliveries to be made at the mine in bunkers or on the cars of such railway.
11. The said Guggenheim shall have 20 days from the date hereof in which to determine whether or not he will cause an examination of said properties to be made with a view to an acceptance of this proposal if such examination proves satisfactory. He shall notify the vendors of such determination within said time by telegram addressed to Clarence Cunningham, at Seattle, Wash. Thereupon, if he elects to proceed with such examination, he shall be allowed the period of four months thereafter to inspect the properties and investigate the titles thereto. If such inspection and examination prove satisfactory he shall give notice of his final acceptance of this proposal by telegram directed to Clarence Cunningham, Seattle, Wash.
- Thereupon the terms of this proposal shall be deemed binding upon all the parties and shall be carried into effect according to its tenor and purport.
12. It is understood, however, that said vendee shall not be required to proceed with said examination unless all of the 33 of the owners

of said coal-land entries, or so many thereof as shall be satisfactory to said vendee, shall have conveyed their respective properties to said trust company, and said trust company shall, under the direction of said committee and as the holder of the title to said properties, have accepted the terms of the proposal and obligated itself to unite with said vendors in carrying the same into effect, in the event the examination of said properties and titles shall prove satisfactory to the vendee and he shall elect to finally accept the same.

Should the number of entrymen declining to convey their respective tracts to said trust company and participate in this proposal be so great as in the judgment of said vendee will prevent the successful inauguration and conduct of said enterprise, then and in that event this negotiation shall be at an end and all parties shall be relieved from all obligations arising hereunder.

Witness our hands in duplicate this 20th day of July, 1907.

A. B. CAMPBELL,
M. C. MOORE,
CLARENCE CUNNINGHAM,

For themselves and as a committee representing their associates.

Signed in the presence of—
S. W. ECCLES.

CURTIS H. LINDLEY.

At the time this contract was made three of the claimants, W. H. Warner, Frank A. Moore, and Nelson B. Nelson, had not made entry of their respective claims, which they thereafter completed in the Juneau land office on October 25, 1907.

Thereafter and on December 7, 1907, Daniel Guggenheim accepted the proposals of the Cunningham claimants in their proffered optional contract of July 20, 1907, as follows:

NEW YORK CITY, December 7, 1907.

CLARENCE CUNNINGHAM, Esq., Seattle, Wash.:

I hereby notify you that I finally accept the proposal made to me by A. B. Campbell, Clarence Cunningham, and M. C. Moore, acting for themselves and associates, in the memorandum of agreement of July 20, 1907.

DANIEL GUGGENHEIM.

(Charge M. G. Sons, Alaska Syndicate.)

On February 19, 1910, Mr. John N. Steele appeared with Mr. Stephen Birch before the Senate Committee on Territories as the representatives of the Alaska Syndicate. Mr. Steele is their New York attorney and Mr. Birch their general manager and mining engineer in Alaska. They introduced the option of July 20, 1907, and Daniel Guggenheim's acceptance of December 7, 1907, in evidence, and upon examination by the chairman of that committee Mr. Steele testified (p. 145, hearings):

"The CHAIRMAN. Mr. Steele, on that point I would like to ask you just two or three questions, which perhaps you can answer. I put some of them to Mr. Birch this morning. The option was taken up on December 7, 1907, by the telegram of Daniel Guggenheim, was it not?"

"Mr. STEELE. It was."

"The CHAIRMAN. He represented the interests of which you have spoken—of Messrs. Guggenheim and J. P. Morgan & Co."

"Mr. STEELE. He was acting for the Alaska Syndicate."

"The CHAIRMAN. He was acting for the Alaska Syndicate?"

"Mr. STEELE. Yes."

"The CHAIRMAN. And this telegram was an acceptance of the option by the Alaska Syndicate?"

"Mr. STEELE. It was an acceptance of the option by the Alaska Syndicate."

"The CHAIRMAN. And so that closed the option, so far as that could be closed?"

"Mr. STEELE. Yes."

"The CHAIRMAN. I notice on the telegram this: 'Charge M. G. Sons, Alaska Syndicate.' So that fixes it?"

"Mr. STEELE. Yes."

"The CHAIRMAN. There is no question about that?"

"Mr. STEELE. No, sir; none at all."

"The CHAIRMAN. So that to-day any rights that accrue or may accrue to the Alaska Syndicate under this option thus taken up on December 7, 1907, still may be exercised as soon as the lands are patented?"

"Mr. STEELE. That is our view."

So far as the public is credibly informed, no change has been made in the contract relations of the 33 Cunningham claimants and the Alaska syndicate since Mr. Steele's testimony was given on February 19, 1910, and in his view as the attorney for the syndicate the contract of July 20, 1907, and the acceptance of December 7, 1907, still bind the parties when the patents shall issue.

In the Pinchot brief it is declared that—

"The agreement which was entered into between the Cunningham claimants and the Morgan-Guggenheim syndicate does not in any way affect the validity of their entries. It was entered into after final certificates were issued by the Government, and was entirely legal if the claims were bona fide."

The general public seems inclined to assume that when the Cunningham claimants shall secure patents this entire group of 5,280 acres will become the property of the Alaska Syndicate under that option.

EXHIBIT C.

Before the Committee on the Judiciary, United States Senate. In the matter of the charges against H. L. Faulkner, United States marshal, and John Rustgard, United States district attorney, Juneau, Alaska. Hon. KNUTE NELSON, Chairman, Hon. W. E. BORAH, Hon. LEE OVERMAN, subcommittee.

GENTLEMEN: The following statement contains the formal and additional charges against the above nominees and a brief statement of so much of the facts as serves to connect and show the relation between the different charges:

I.

"That Sutherland and Boyce were removed on false and secret information furnished by the attorneys and lobbyists for the Alaska Syndicate Katalla Co., aided therein by Gov. Walter E. Clark, of Alaska, intending to prevent Sutherland and Boyce from securing the indictment and conviction of the men named in the photographic copies herewith inclosed, and another attorney connected with Carson therein, for bribery and corruption of witnesses and jurors in the case of *The United States v. Ed. C. Hasey*, on trial for shooting one Rhinehart upon instructions given to Hasey by the men higher up in the councils of the Guggenheim Alaska Syndicate.

"Jarvis is the treasurer of the Alaska Syndicate Katalla Co.

"Bogle is the general counsel of the Alaska Syndicate at Seattle.
 "Carson and Lyons were the attorneys for the Alaska Syndicate in the defense of Hasey.
 "Seventy thousand dollars was spent by the Alaska Syndicate in the defense of Hasey.

III.

"The said nominees, in collusion with L. P. Shackleford, one of the attorneys for the Alaska Syndicate in the Hasey case; W. B. Hoggatt and Gov. Walter E. Clark, of Alaska, partisan friends and supporters of those officers of the Alaska Syndicate corporation hereinafter mentioned, falsely and maliciously made charges in Washington to the President against Daniel A. Sutherland, United States marshal, and John J. Boyce, United States district attorney, of Juneau, Alaska, and thereby wrongfully, and without notice or opportunity to defend, procured the removal of the said Sutherland and Boyce from their respective offices.

III.

"Faulkner and Rustgard are indebted for their nomination to the men who have spent months in Washington to secure the removal of Boyce and Sutherland, and will be dominated and controlled by them and by the Alaska Syndicate."

Messrs. Hoggatt, Shackleford, and a half a dozen other gentlemanly lobbyists from Alaska have remained in Washington this winter, seeking to secure the control of the appointments in the Department of Justice in aid of their corporate interests. They could not manage it without help, and caused Gov. Clark to be brought to Washington, with whose aid the United States marshal and the United States district attorney at Juneau were removed and two dummy members of former Gov. Hoggatt's household were appointed in their places.

IV.

"Rustgard, as district attorney at Juneau, will have control for the United States of the litigation arising out of the coal claims known as the Cunningham group, and other coal frauds in which the Alaska Syndicate is interested; he is appointed by their influence and the influence of the men who secured the removal of Boyce; his appointment is wholly in the interest of protecting the Katalla criminals from indictment for bribery of witnesses and jurors in the Hasey case, and protecting the Alaska Syndicate in its litigation over the coal-land frauds in Alaska.

V.

"Faulkner, as United States marshal at Juneau, will have the selection of jurors in any case brought on indictment for the trial of the Alaska Syndicate criminals for bribery and corruption of witnesses and jurors in the Hasey case at Juneau, or in the trial of litigation over the Cunningham or other coal claims there, wherein the Alaska Syndicate is interested; he is under obligations to the Alaska Syndicate and its attorneys and lobbyists for his appointment, and will be, as he always heretofore has been, completely dominated thereby.

VI.

"To confirm either Faulkner or Rustgard is to place a trusted and bitter partisan of the Alaska Syndicate in a position to, and either or both will, betray the Government in the said cases and litigation in the interest of their partisan friends and supporters, the Alaska Syndicate and its attorneys and lobbyists, who have worked so successfully to secure their appointment."

Mr. T. R. Lyons, one of the Guggenheim attorneys in the Hasey case, has, since that corrupt trial was ended, been appointed United States district judge in Alaska. His assignment to the Juneau district was vigorously protested and the copies of this protest are attached to this record. These protests were effective in procuring him to be sent into the interior of Alaska, but he is now ordered to return to the Juneau district on July 1. He was Shackleford's partner, the associate counsel with Carson and other attorneys who distributed the corruption fund in the Hasey case. His brother is deeply interested in the Guggenheim schemes and ownership of Cordova; the firm of Shackleford & Lyons is also interested in the Cordova Power Co., one of the Alaska Syndicate corporations at Cordova. Lyons is being urged by Shackleford and Hoggatt and the Guggenheim forces as a candidate for Delegate to Congress from Alaska. With Lyons as judge, Rustgard as district attorney, and Faulkner as marshal, the Alaska Syndicate, through its partisans, Hoggatt, Shackleford, and Gov. Clark, would have complete control of the Alaska court, and could, and would, bar prosecution of Jarvis and others for corrupting the court in the Hasey case. And they could, and would, prevent the United States from a fair trial of any suits which might be necessary to protect the Government's title in the Cunningham coal cases. Rustgard can, and will, recommend Hasey's pardon if made United States district attorney.

VII.

"Faulkner is not a citizen of the United States, having only declared his intention of becoming one in 1905, at Ketchikan, Alaska."

Faulkner is a Canadian, born in Nova Scotia, and declared his intention to become a citizen of the United States at Ketchikan, Alaska, in 1905. (See certified copy in the record.)

VIII.

"That Faulkner has heretofore been deputy for Sutherland at Juneau, imposed upon Sutherland at the time of his appointment a year ago by Shackleford, one of the men responsible for Sutherland's removal and Faulkner's appointment, and has at all times been disloyal and seeking how to betray his principal, and to obtain his position unfairly and unjustly."

STATEMENT OF FACTS.

Capt. D. H. Jarvis was offered the office of governor of Alaska; he declined it because he had been just then employed by the Alaska Syndicate as its confidential agent in Alaskan matters, with his office in Seattle, and he recommended the appointment of W. B. Hoggatt in his stead.

When Hoggatt tendered his resignation a year ago, it was after an arrangement by which, at the moment of its acceptance, the appointment of Capt. Jarvis's partisan, Walter E. Clark, was announced, and his name sent to the Senate.

Jarvis, Clark, Hoggatt, and Shackleford have constituted a coterie of Alaskan lobbyists for years, Clark being, until his turn made him governor, the press agent of the interests which they represent in Washington, D. C.

Jarvis is the "boss" of that coterie, and for four years has been the potential influence in the Guggenheim power on the Pacific coast—especially in Alaska—and the person who has controlled and approved and paid out the "corruption fund." Hoggatt, Shackleford, and Clark are his partisan and personal friends; they are his agents and

political activities. They have spent this winter, as they have the winters of the past four years of his control of the Guggenheim Alaska Syndicate, in Washington, as lobbyists for those things which he and his interests want in Alaska.

Three years ago Jarvis ordered his employees engaged in building railroads in Alaska for the Guggenheims to hold the Keystone Canyon, and his "gun men" obeyed orders; Hoggatt, Clark, and Shackleford have been obstructing justice ever since to prevent the due execution of the criminal laws of Congress and to enable those higher up to escape the punishment of felons for the murders in the Keystone Canyon.

Boyce was engaged in prosecuting those crimes, and he and Sutherland were seeking to gather the evidence and punish Jarvis and other Alaska Syndicate criminals for corrupting jurors and witnesses in those cases—when, by the influence of Hoggatt, Clark, and Shackleford, they were secretly accused and removed, and Jarvis and others intimately associated as partners with Hoggatt and Shackleford, were saved from indictment and punishment for the most dangerous crime in the list—that of corrupting the courts of the United States.

They have a fourfold purpose in securing the removal of Sutherland and Boyce, and the appointment of Faulkner and Rustgard, their household tools, viz, (1) to prevent Sutherland and Boyce from arraying the evidence, indicting, and convicting Jarvis and those attorneys who engaged in disbursing the corruption fund for bribery of witnesses and jurors in the Hasey case; (2) to prevent Sutherland and Boyce from defending the United States in its rights against the Alaska Syndicate in the syndicate's proposed litigation to enforce its alleged rights to patents to the \$25,000,000 Cunningham coal claims; (3) to have in the office of judge, marshal, and district attorney at Juneau, with control of the grand juries, those who would prevent the indictment of Jarvis and those engaged with him in bribing jurors and witnesses in the Hasey case, and (4) to have control of all those officials who will represent the United States in the trial of those cases which the Alaska Syndicate's attorneys announce they intend to bring to force the United States to give them patents to the Cunningham coal claims.

GUGGENHEIM RAILROAD WAR IN ALASKA.

The Guggenheim railroad war in Alaska has included the killing of opposition laborers in Keystone Canyon and the killing of an opposition railroad bill by objection on the floor of Congress. For protection against the first form of homicide the nominees now up for confirmation are needed.

On or about September 25, 1907, the Alaska Syndicate Corporation, the Copper River Railway Co., had completed a portion of its grade from Valdez, Alaska, through the Keystone Canyon, and had abandoned the same, and begun the building of its line at Cordova, about 100 miles distant. The Home Railway Co. began to construct a line through the said canyon; high officials of the Copper River Railway Co. instructed one George C. Hazelet to send a couple of "gun men" into the Keystone Canyon and to prevent the employees of the Home Railway Co. from building its road therein; that on the said day one Ed. C. Hasey, being so instructed by the officers of the Copper River Railway Co., fired on a group of the Home Railway Co.'s employees who were coming into the canyon to work along the line of the disputed route and killed one, wounded another so that he died thereafter, and wounded three or four more. These men were 200 to 300 feet away from the said Hasey, and all but one were running in an endeavor to escape, and were shot in the back. They were inoffensive workmen with tools on their backs.

GOV. HOGGATT DEFENDS HASEY.

Mr. N. V. Harlan, United States district attorney at Valdez, procured the arrest of Hasey and George C. Hazelet, the manager of the Alaska Syndicate interests at that place, who furnished the guns and gave the instructions to do the shooting, under orders from men higher up, and sought to procure their examination before the justice of the peace, John Lyons, for shooting with intent to kill, which is a felony under the laws of Congress applicable to Alaska. Gov. Hoggatt rushed to Valdez as fast as possible, and became a partisan defender of Hasey and Hazelet, and made most bitter attacks upon the district attorney. Hoggatt was then, and has been for years, the intimate friend and partisan supporter of Capt. D. H. Jarvis, who was then, and is now, the confidential manager of the Alaska Syndicate at Seattle, Wash., and who had made himself liable for indictment and trial for felony for furnishing the guns and instructing the gun men to shoot to hold the canyon. Hoggatt assumed the burden of protecting Hasey and Hazelet, and used all the power and influence of the administration which he possessed to condone their crime and to break down the prosecution. His actions were flagrant and in violation of his oath of office, which requires the governor to see that the laws are enforced, and so incensed the people of Valdez that they signed and forwarded protests to the Department of Justice, attached to Hoggatt's report on the shooting affray. Hoggatt secured the discharge of Hazelet by John Lyons, the justice of the peace, and from that time on did everything he could to prevent the conviction of Hasey, for the purpose of protecting Jarvis. He strongly urged that he be tried only for manslaughter, and not for shooting with intent to kill, which was a felony. He also urged that the workmen of the Home Railway Co. be tried for riot.

GOV. HOGGATT SECURES HARLAN'S REMOVAL.

Hoggatt immediately filed charges against District Attorney Harlan and procured false and malicious affidavits of his partisans and secretly filed the same in the Department of Justice, and thereafter, when the district attorney offered to resign on account of ill health, he found an order of removal.

INDICTMENT AND CONVICTION OF HASEY.

Five indictments were found against Hasey. To protect Jarvis and others from the effect of their instructions to kill these inoffensive workmen, the Alaska Syndicate corporation employed a large number of attorneys and spent about \$70,000 in the defense of Hasey. The attorneys employed were John A. Carson, Thomas R. Lyons, of Shackleford & Lyons; John Y. Ostrander, Fred M. Brown, and John R. Winn. The said syndicate, through Jarvis and its other officers, employed detectives and jury fixers, and portions of the money spent were paid out for entertaining jurors and witnesses in the Hasey case and the bribery of witnesses to testify falsely against the Government.

BRIBERY OF WITNESSES AND JURORS.

The two photographic copies of the Carson letter and the Morrissey account filed herewith and certain of the affidavits attached hereto in substantiation of the disposition of this fund. The person who has the originals of the two photographic copies attached is in Washington, and expresses a willingness to testify to the facts.

HASEY BRIBED TO GO TO THE PENITENTIARY.

The attorneys for the Alaska Syndicate, as a part of the defense of Hasey, secured the removal of the trial from Valdez to Juneau. They procured a verdict of "not guilty" in one case, but a verdict of "guilty" was returned in the other. They persuaded Hasey to accept the verdict of 18 months' imprisonment in the penitentiary and to keep silent, so as not to imperil Jarvis and others who gave the orders to shoot, by paying large sums of money to Hasey, including the period while he was in the penitentiary, with promises of a pardon and certain other benefits when he is released.

The nominees now before this committee are the personal intimate friends of Hoggatt and Shackelford. Both of them have accepted the hospitality of Gov. Hoggatt's house, where he has maintained them for long periods as his partisan supporters. Rustgard was imported from Nome by Hoggatt and Shackelford through the connivance of Jarvis and maintained at Hoggatt's house until his appointment could be procured. He is a quasi partner of Shackelford, being now in possession of Shackelford's office and in charge of his law business while the latter is in Washington lobbying to secure his confirmation. This is done because there was no person in Juneau whom they could trust who would accept the office of district attorney with a readiness to perform the commands of Hoggatt and Shackelford and the Alaska Syndicate.

L. P. Shackelford became the Republican national committeeman for Alaska by a trick. He was the partner of Thomas R. Lyons, leading counsel in the Hasey case; Lyons offered to bribe Barnhill in the Hasey case by the promise of appointment as United States district attorney, and he promised Daniel Guggenheim's support in that effort. Shackelford is the attorney for the Treadwell mines, partner of Hoggatt in the Juneau Record, newspaper; director in the Alaska Syndicate, Cordova Power Co.; attorney for the Alaska Syndicate and Rust; president of the Tacoma Smelter, the Guggenheim American Smelting & Refining Co.'s plant; and engaged in Washington as lobbyist in securing appointments of officials in judicial offices in Alaska for a salary—a broker in appointments for money.

Thomas R. Lyons, of the firm of Shackelford & Lyons, brother of John Lyons, who discharged Hazelt at Valdez from the Keystone Canyon railroad murder; he was associated with Carson in the Hasey defense when the corruption fund was paid out to witnesses and jurors; he offered Barnhill, United States deputy district attorney, the bribe of appointment as United States district attorney and the assurance of the support of Daniel Guggenheim for the betrayal of the Government's case against Hasey; he is now the district judge of the first division of Alaska, at present at Fairbanks, but ordered to Juneau, where he will be the trial judge when the litigation over the Cunningham coal claims comes up.

W. B. Hoggatt was formerly governor of Alaska; he is a bitter partisan supporter of the Alaska Syndicate, and was entertained on board the Guggenheim yacht in Alaska while governor; he has been the consistent defender of Hasey, and procured the removal of United States District Attorney Harlan for the fearless performance of his duty in the handling of that case; he offered to bribe Barnhill by appointment as United States district attorney if he would prosecute the Guggenheim opponents and protect the Alaska Syndicate corruptionists, and he damned Attorney General Bonaparte with vile names in that connection; he aided in procuring the removal of Sutherland and Boyce for performing their duties, and to prevent the indictment of Jarvis, Lyons, and others, and he procured the appointment of these nominees, retainers of his household, because he can control them and their actions in the interest of the Alaska Syndicate.

D. H. Jarvis, treasurer of the Alaska Syndicate corporations at Seattle; he is the confidential man of the syndicate on the Pacific coast; he brought on the shooting in the Keystone Canyon, and paid out large sums of money in the defense of Hasey, including the fund used in entertaining jurors and witnesses for the Government—the corruption fund.

W. H. Bogle is the general counsel for the Alaska Syndicate at Seattle, Wash., and approved the accounts disbursing the Hasey corruption fund.

Hon. Walter E. Clark, governor of Alaska, was appointed through the influence of Jarvis, Hoggatt, and Shackelford; for many years he was a member of that coterie of Guggenheim lobbyists; before his appointment as governor was correspondent of the New York Sun; was for years the confidential friend of Jarvis, Hoggatt, and other Guggenheim lobbyists, who made his office their headquarters when in Washington; he was their Washington press agent, and is now their Alaskan governor; at present he is in Washington, earnestly lobbying in their behalf; through secret and false charges to the President he procured the removal of Boyce and Sutherland (1) to protect Jarvis from indictment for bribery and the use of the corruption fund, and (2) to protect the Alaska Syndicate in its legislation with the Government over the Cunningham group of coal claims.

OTHER CRIMES OF THE ALASKA SYNDICATE.

Ballot-box stuffing.—The Alaska Syndicate town of Cordova was built in the summer of 1908. It is the terminus of their Copper River & Northwestern Railroad; there were not 50 voters in that country in March, 1908. (See the affidavits of Heney, Lyons, and others to that effect hereto attached.) The act of Congress providing for the election of a Delegate to Congress from Alaska requires that all voters shall be residents of Alaska for one year. The Alaska Syndicate imported a large construction gang for the building of their road in the summer of 1908, and, on August 11, 1908, in violation of the United States statutes, M. J. Heney and the other Alaska Syndicate officials in charge of that road ran their construction trains all during election day, carried their construction gang of Italian and other imported laborers to the polls at Cordova, and voted 860 of them in 360 minutes, in violation of the United States statutes. Heney and these officials stood at the polls and personally conducted this crime against the ballot box, and paid the men a day's wage for voting.

Corrupting grand jury.—In October, thereafter, the United States grand jury met at Valdez; it was determined to have them indicted for these offenses against the election laws. By the aid of certain of their official friends, they procured the judge of the court, Silas H. Reid, who was later removed from office by the President for cause, to issue an open venire to fill the grand jury. Herewith attached are certified copies from the records of that court, showing that H. K. Love, United States marshal, filled the grand jury by going from Valdez to Cordova, about 100 miles away, and securing enough friends and partisans of the Alaska Syndicate and Heney from Cordova to pack the grand jury so that no indictments could be found. The grand jury was corruptly fixed and packed, openly and notoriously by the said H. K. Love and others, and the said indictments were thus prevented. Immediately after the grand jury adjourned the fore-

man, M. F. Dennison, was appointed a United States deputy marshal by the said H. K. Love, for his part in that crime.

H. K. LOVE (AGAIN).

Just prior to the removal of Sutherland, Shackelford and Hoggatt sought to have Sutherland exchange with Love, United States marshal at Fairbanks, Alaska, so that Sutherland would go to Fairbanks in the interior of Alaska, and Love could go to Juneau. Herewith attached is a copy of the telegram from Love to Sutherland requesting such a transfer. The fact was reported in the Hoggatt-Shackelford paper at Juneau, Alaska, the Alaska Daily Record, two days before Love sent this telegram from Washington. Their purpose in making this transfer was to procure Love's presence at Juneau, and his support in aid of the Guggenheims in the trial of the Cunningham cases in their attempts to secure the patents from the Government. Love had clear listed these cases when a special agent in the General Land Office, and as marshal would be able to do so again. He would also be in a position at Juneau to protect Jarvis and others from indictment for crime in connection with the distribution of the corruption fund in the Hasey case. Sutherland refused to make such transfer while engaged in assembling the evidence in connection with the bribery of witnesses and jurors in this case, and was shortly thereafter removed from office through the influence of these same interests.

HOUSE OF REPRESENTATIVES,
Washington, April 29, 1910.

Hon. C. D. CLARK:

Chairman Committee on the Judiciary, United States Senate.

SIR: Herewith inclosed I hand you a copy of another telegram received by me this day from the mayor of Valdez, Alaska, protesting against the removal of Sutherland and Boyce.

Also herewith inclosed you will find photographic copies of a letter and an account, the letter being written by John A. Carson to Capt. D. H. Jarvis, dated May 6, 1908, which need little explanation to show their criminality.

Upon information sent to me, and upon other matters known to me, I make this formal charge and complaint against Herbert L. Faulkner and John Rustgard, nominated, respectively, for United States marshal and United States district attorney for the first division of Alaska.

First. That Sutherland and Boyce were removed on false and secret information furnished by the attorneys and lobbyists for the Alaska Syndicate Katalla Co., aided therein by Gov. Walter E. Clark, of Alaska, intending to prevent Sutherland and Boyce from securing the indictment and conviction of the men named in the photographic copies herewith inclosed, and another attorney connected with Carson therein, for bribery and corruption of witnesses and jurors in the case of the United States v. Ed C. Hasey, on trial for shooting one Rhinehart, upon instructions given to Hasey by the men higher up in the councils of the Guggenheim Alaska Syndicate.

Jarvis is the treasurer of the Alaska Syndicate Katalla Co.

Bogle is the general counsel of the Alaska Syndicate at Seattle.

Carson and Lyons were the attorneys for the Alaska Syndicate in the defense of Hasey.

Seventy thousand dollars was spent by the Alaska Syndicate in the defense of Hasey.

Second. Faulkner and Rustgard are indebted for their nomination to the men who have spent months in Washington to secure the removal of Boyce and Sutherland, and will be dominated and controlled by them and the Alaska Syndicate.

Third. Rustgard, as district attorney at Juneau, will have control for the United States of the litigation arising out of the coal claims known as the Cunningham group, and other coal frauds in which the Alaska Syndicate is interested; he is appointed by their influence and the influence of the men who secured the removal of Boyce; his appointment is wholly in the interests of protecting the Katalla criminals from indictment for bribery of witnesses and jurors in the Hasey case and protecting the Alaska Syndicate in its litigation over the coal land frauds in Alaska.

Fourth. Faulkner, as United States marshal at Juneau, will have the selection of jurors in any case brought on indictment for the trial of the Alaska Syndicate criminals for bribery and corruption of jurors and witnesses in the Hasey case at Juneau, or in the trial of litigation over the Cunningham or other coal claims there, wherein the Alaska Syndicate is interested; he is under obligations to the Alaska Syndicate and its attorneys and lobbyists for his appointment, and will be, as he always heretofore has been, completely dominated thereby.

Fifth. To confirm either Faulkner or Rustgard is to place a trusted and bitter partisan of the Alaska Syndicate in a position to—and either or both will—betray the Government in the said cases and litigation in the interest of their partisan friends and supporters—the Alaska Syndicate and its attorneys and lobbyists—who have worked so successfully to secure their appointment.

Sixth. Faulkner is not a citizen of the United States, having only declared his intention of becoming one in 1905 at Ketchikan, Alaska.

Seventh. That Faulkner has heretofore been deputy for Sutherland at Juneau, imposed upon Sutherland at the time of his appointment two years ago by a special extension of the civil-service rules, obtained by Shackelford, one of the men responsible for Sutherland's removal and Faulkner's appointment, and has at all times been disloyal and seeking how to betray his principal and to obtain his position unfairly and unjustly.

The record in the Hasey case is largely in the office of the Attorney General, and I respectfully request the committee to apply to the Attorney General to have all the papers therein sent to the committee for its use, and that I be permitted to examine the same in the consideration of this matter.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

JUNE 9, 1910.

Hon. W. E. BORAH,

United States Senate.

MY DEAR SENATOR: In the matter of the confirmation of Herbert L. Faulkner and John Rustgard, charges have been filed against them which embrace: (1) Matters and things which show their personal unfitness to hold the offices, and (2) other matters and things which show them to be connected with a general movement by the lobbyists and employees of the Alaska Syndicate and Treadwell mines to get possession of the courts and government there, and to fill the same with their friends and partisans for the purpose of obstructing justice.

In line with this latter purpose, I now call your attention to the attempt made by Maj. W. P. Richardson, United States Army, to aid

them in so far as the organization of the government there is concerned and the control of Alaskan transportation. Senate bill 5436 was prepared, so Gen. Edwards is reported by the newspapers to have said, in the Bureau of Insular Affairs, and under his eye. Maj. Richardson was present and had much to do with the preparation of the bill. It was specially designed to fit into the conditions which Maj. Richardson had originated in Alaska, and it has been openly and publicly stated by his friends and representatives that he was to be the official to fill those military offices provided for in the sixteenth section of the original bill introduced by Senator Beveridge on January 18, 1910. That bill provided for an organization of an appointive military legislature in Alaska, under the Bureau of Insular Affairs, with Maj. Richardson as its dominating factor.

About January 10, Maj. Richardson brought to my office and asked me to introduce a railway bill providing for the organization of a railway commission for Alaska. The bill provided that each railway organized under that bill should receive (1) 5,000 acres of coal land at \$10 an acre; (2) Government aid by guaranty of its bonds for the period of 30 years; (3) it provided that work already done upon any railway might also be guaranteed by the commission, intending thereby to guarantee past construction and any other abandoned railway enterprise which the commission might see fit to approve; (4) it relieved such railways from taxation for 80 years, and generally gave the objects of its charity the greatest amount of Government assurance and aid.

I immediately thereafter protested to the Secretary of War against the actions of Maj. Richardson and the character of the legislation he was thus attempting to lobby through Congress. On January 20 I wrote him a letter, which is copied in the statements before the Committee on Territories of the Senate on the bill S. 5436, "To create a legislative council in the District of Alaska, to confer legislative powers thereon, and for other purposes," at pages 11, 12, and 13. At the request of the Secretary of War, other correspondence in respect thereto was had, and, with the exception of the first letter, a complete copy of the correspondence is herewith attached.

Considering the bill for the government of Alaska by an appointive military legislature, under the complete control of the Bureau of Insular Affairs, and this military railway commission bill, presented by Maj. Richardson, with, as he says, the knowledge and consent of the President, the two satisfactorily prove to me that Maj. Richardson was engaged in attempting to lobby through Congress legislation in respect to Alaska which would have given to the Alaska Syndicate a complete monopoly of the coal, the transportation, the copper, the fisheries, and the government of that great, rich Territory. I have protested in the most vigorous way against this colossal effort to loot Alaska through the military department, and my only reward has been to be treated unfairly, and to have it announced that all of the officials in the Territory were to be placed under the absolute control of Gov. Walter E. Clark, who is Maj. Richardson's aid in this effort and one of the Alaska syndicate friends and partisans.

The effort is not abandoned. Maj. Richardson is now in Alaska making public statements of a political character in aid of the continuation of the organization of this plan. Gov. Clark is in Washington fighting every effort by the Delegates from Alaska to secure the passage of needed legislation and working for the same military combination of government in Alaska. Unless some Senator of strength and courage shall take hold of this matter the evil day is only being postponed by my efforts. Won't you read this letter and the copies attached and understand the scheme and then help to save Alaska and her 50,000 American miners from this sort of rule.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

MARCH 22, 1909.

H. J. DOUGLAS, Esq.,
Auditor Katalla Co.:

Please provide, in cash, the sum of \$3,000 to attorney R. J. Boryer, for special expenditures, which will be accounted for at a later date.

The expenditure is for confidential uses, and should be delivered to Mr. Boryer before 5 o'clock this evening.

Yours, truly,

E. C. HAWKINS,
General Manager.

SEATTLE, WASH., November 29, 1909.

Hon. JOHN A. CARSON,
Salem, Oreg.

DEAR SIR: In the matter of the verdict and sentence of Edward C. Hasey, at Juneau last spring, for assault with deadly weapons, in the Keystone Canyon troubles, I wish to say that I believe this was a mistaken verdict, and was given under peculiar conditions and prejudice. I think you are also satisfied as to this. I believe we should do all that is in our power to secure a pardon for Mr. Hasey. I think such a petition to the President for pardon would best be secured through action taken by ex-United States Marshal Shoup, who, I understand, is now in Los Angeles or San Diego.

In this matter I am taking it up on my individual motion, and not as the representative of the railway company. Can you advise me as to the best steps to take, particularly in initiating the proceedings? I am going to New York and can take the matter up with some friends in Washington if you think such course would be advisable. If you know the address of Mr. Shoup, I would be much pleased to have you communicate with him before writing me.

Yours, truly,

General Manager.

I am taking this up simply in order to have justice done Mr. Hasey, and is not a company business affair.

E. C. H.

(Letter from E. C. Hawkins, general manager Copper River & Northwestern Railway—Guggenheim road.)

SEATTLE, WASH., May 6, 1908.

Capt. D. H. JARVIS, Treasurer,
Lowman Building, Seattle, Wash.

MY DEAR CAPTAIN: The inclosed account of Mr. M. B. Morrissey has been submitted to me by him. I do not claim to have personal knowledge of all of the items therein mentioned—necessarily I could not have such—but I do know that Mr. Morrissey was taking care of several of the Government's witnesses. I saw him take them into restaurants very many times (it was generally rumored around Juneau

that the majority of the Government's witnesses were broken), and I have not the least doubt that Mr. Morrissey cared for them in the manner shown in his account.

In addition to this I wish to express my appreciation of the services rendered by Mr. Morrissey, not only in Juneau, but also at Valdez, during the session of the grand jury there. I found him very efficient and competent, and his acquaintance with many of the Government's witnesses and control over them placed him in a position to be of the greatest possible service in defending this action.

I scarcely need tell you that Mr. Morrissey is an expert accountant employed by Mr. Heney at Cordova. He is anxious to return there promptly to resume his duties and I trust that you will treat him in a very liberal manner.

Yours, very truly,

JOHN A. CARSON.

SEATTLE, WASH., May 6, 1908.

Katalla Co. in account with M. B. Morrissey.

Moneys received from John A. Carson	\$650.00
Balance due me	483.40
	<hr/> 1,133.40

Disbursements:

Expense on steamship <i>Farallon</i> , Cordova-Juneau	5.00
Occidental Hotel, for M. B. Morrissey	22.60
Occidental Café, for witnesses	75.00
Alaska Grill, for witnesses	195.00
Cash to Jimmy Kelly	37.00
Cash to J. E. O'Riley	75.00
Cash to F. Rummel	9.00
Cash to J. A. Briggs	10.00
Cash to Tom Corcoran	10.00
Cash to Wm. Garster	12.00
Cash to Whitey Graham	26.00
Expense entertaining witnesses and jurymen	200.00
Personal expense for March and April	270.00
Expense cable, F. E. Youngs	3.80
Hotel Seattle, 6th to 8th (estimated)	15.00
Rent of typewriter	2.00
Stationery, etc	1.00
Expense incurred at Valdez during grand jury session	120.00
Ticket, Seattle-Cordova, deduct	45.00

1,133.40

45.00

1,088.40

650.00

438.40

Approved.

W. H. BOGLE.

THE HASEY AFFAIR—DEVELOPING FROM THE KEYSTONE CANYON RIOT AND MURDER.

During the fall of 1907, the officials of the Copper River & Northwestern Railway, desirous of holding the Keystone Canyon, possession of which was disputed by the Home Railway officials, hired one Edward C. Hasey, notorious as an Alaska "gun man," as a leader of a gang of workers to hold the canyon for the Copper River & Northwestern Railway. This was done, presumably, through direction of Jarvis to Hazelet. Soon general rioting was indulged in by all hands, with the result that Hasey openly shot and killed one man, and several others were wounded. Rifles had been taken to the canyon under the direction of Hazelet, but after the riot every effort was made to keep Hazelet's name out of the affair because of the well-known enmity toward him of United States District Attorney Harlan. Because of Hazelet's open connection with Hasey, it became necessary to defend Hasey in order to close his mouth as to the real inciting of the riot. Accordingly, the "boss of Alaska" ordered that some man be found sufficiently criminal to be willing to defect justice, and he himself, as treasurer of the Katalla Co., opened negotiations with a lawyer of Salem, Oreg., John A. Carson by name, as well as employing pretty near all of the Alaskan bar as represented in Valdez.

At the time of the riots, M. B. Morrissey was an employee of the Home Railway Co., with an apparently large influence among his fellow workers. For certain emoluments, which appear later, the Copper River & Northwestern Railway, through John A. Carson, obtained the services of this man, and by reason of his efforts and perjured testimony before John Lyons, acting as judge at the preliminary hearing, Hazelet was relieved from any overt participation in the riots, and Hasey was held for the action of the grand jury.

Later, Hasey was indicted and tried for murder; jury acquitted (?) him; reason therefor, to be found in the letter and bill sent by John A. Carson to Capt. D. H. Jarvis, treasurer of the Katalla Co., for the services of the aforementioned Morrissey. This letter plainly presupposes a former engagement by Jarvis of Carson for the specific purpose of deflecting justice. The tone of the letter is intimate and also shows a previous base of understanding. (Let it be called to mind that Capt. Jarvis was formerly in charge of the U. S. revenue cutter *Bear*; he also received a medal from Congress testifying to his desirability as a citizen, to his loyalty and patriotism. In the role of treasurer of the Katalla Co. he is the recognized deputy of the house of Morgan, and openly in the market for the purchase of Federal juries and witnesses.)

Later, on motion of the Government, Hasey was again brought to trial on a minor charge included in the original indictment; at which trial, at an expense of over \$4,000 to the railway company, Morrissey contributed his services; this trial resulted in a verdict of guilty and Judge Gunnison sentenced Hasey to 18 months imprisonment. (How much consternation this verdict and sentence caused the "Boss of Alaska" may be gained from the fact that Judge Gunnison failed of reappointment at the expiration of his term of office.) An appeal from this sentence was taken, and bail was furnished by the railway company.

Pending and during the trial, and subsequent thereto, Hasey was employed by Chief Engineer Hawkins, of the railway company, at \$200 per month and board, as a member of a survey party. Here was the spectacle of a wholly unskilled man receiving more money than the best, experienced well-trained resident engineers. (In passing, it is pertinent to query whether Chief Engineer Hawkins is as innocent of knowledge of the purchase of Hasey as he appears in his letter of November 29, last.) As further reward for his valuable services, at

the request of the officials of the railway company, Morrisey was given nominal employment in the offices of M. J. Heney, but his salary of \$150 per month with board, was paid by the railway company.

Owing to the incessant and insistent demands of Morrisey, and the desire of Jarvis to relieve the company of this Frankenstein, negotiations were entered into in August, 1909, by Jarvis, Bogle, Boryer, and Hawkins with Hasey, who had been brought to Seattle, whereby in consideration of surrendering himself and serving his sentence, Hasey was to receive the sum of \$750 in cash and \$150 per month for each month of his incarceration, with the additional promise of having his case brought at once before the President for pardon. (In this connection Hawkins's letter of November 20, to Carson, bribe purveyor in the former case, loses its disingenuousness.)

Subsequent to the services of Morrisey with Government witnesses and jurors in Valdez and Juneau, in August 1908, at Cordova, Morrisey rendered remarkable services in behalf of Carson, candidate for Delegate from Alaska, the chosen candidate of the "Boss of Alaska."

To return to Hasey: Agreeable to his arrangement with Jarvis, Bogle, Boryer, and Hawkins, Hasey returned to Juneau, meekly gave himself up to serve his sentence, and is now confined on McNelis Island. In November, 1909, the payment of the \$750 was made, and on December 9, following, he was visited by Hazelet, who came down from Cordova for the express purpose of assuring Hasey that he would be well cared for.

In all these dealings Jarvis appears to be the employer; as treasurer of the Katalla Co. he has passed all expenses in one form or another, making himself responsible for all of those thousands spent. In the case of Morrisey and the first trial of Hasey, Jarvis appears actually in agreement for the expenditure of money on Government witnesses and jurors. All expenses were approved by Bogle; much of the bribery and crooked work was conducted through Carson; both of these men are members, apparently in good standing, of the bars of Washington and Oregon, respectively. As general manager, Hawkins must have known the nature of the heavy expenses piled up against his company in behalf of Morrisey for Hasey, therefore Hawkins's maudlin appeal for "justice" to Hasey, in the light of what had transpired, is absolutely hypocritical.

The suggestion is timely that Hasey, being a violent "gunman," may tire of his halo wearing should his pardon be not forthcoming, and might perhaps develop some extremely interesting memoirs. It is understood that Hasey is restraining himself with difficulty even now, being apparently desirous of going on the warpath again. It was because of this manifest tendency that Hazelet made his recent visit.

THE ATTORNEY GENERAL,
Washington, D. C.

FEBRUARY 14, 1910.

SIR: About a month ago I was requested to receive and examine certain documentary evidence relating to the case of the United States v. Hasey, from Valdez and Juneau, Alaska, which I did. About 10 days ago the inclosed photographic copies of (1) a letter, dated at Seattle, Wash., May 6, 1908, addressed to Capt. D. H. Jarvis, treasurer, and signed by John A. Carson, and (2) the account of expenditures between M. B. Morrisey and the Katalla Co., of the same date, and both relating to the corruption of witnesses and jurors in the Hasey case, were received by me, with the request that I lay them before you for your action. Inclosed with them was the copy of a letter dated November 29, 1909, addressed to John A. Carson by Mr. E. C. Hawkins (though the copy is not signed and is only shown to have been written by Hawkins by its contents and the initials), the general manager of the Copper River & Northwestern Railway Co., of Cordova, Alaska. This letter relates to their efforts to secure a pardon for Hasey, a matter which is now pending before you. Immediately on receiving these copies, and about January 21, I telephoned to your office and ascertained that an application for pardon had been filed by Hasey, whereupon I requested an opportunity to be heard before the pardon was granted.

When I received these papers I declined to transmit them to you until I had made a fair inquiry whether the party holding them came into possession thereof properly. I was shown the originals of the letter and account of May 6, and became satisfied that the holder was properly in possession of them. I also send you a copy of a statement of facts, which was attached to the copies first received by me, which in some degree explains the situation.

Some time after I telephoned to your office and ascertained that an application had been made for a pardon, ex-United States Marshal Shoup came to Washington, and I suggested to him that he ought not to appear in the matter, but did not explain the reason for the suggestion further than to say to him that it might lead to criticism. He assured me he would not appear, and I do not know that he did.

The homicide, in which Hasey and others shot several men and killed one, arose over the claim of the Copper River & Northwest Railway road to an exclusive right of way for railroad purposes in the Keystone Canyon, near Valdez. Before the homicide the Copper River people had constructed a railroad grade partly through the canyon, but had announced their intention to abandon the line, and had begun building from Cordova over an entirely different route, whereupon the people of Valdez, led by Reynolds, a promoter, organized the Home Railway Co. and began to build into and through the canyon, which is a narrow pass or defile in the high mountains. The Copper River people sought to prevent them from building into the canyon, and Hasey and others under their employ lay in wait with rifles and fired upon and wounded several of the Home Railway laborers and killed one man.

Mr. George C. Hazlett, a prominent man in that country and one of the Copper River road employees, and Hasey were arrested. Owing to Hazlett's high connections with the Copper River people the most extraordinary efforts were made to secure his release. The railroad company brought lawyers from Oregon, Juneau, and other places to defend him and large sums of money were spent in bribing witnesses, jurors, and Government officials.

The usual delays of trial occurred, though finally Hasey was convicted of assault with a deadly weapon and sentenced to 18 months in the penitentiary. An appeal was taken, but the Copper River people became frightened at probable results and entered into an arrangement with Hasey by which, for a consideration paid and to be paid, in cash, he assumed the character of "scapegoat" and went to serve out his time as a shield to those who were more guilty.

I am informed and believe that the Copper River Railway spent \$70,000 in the Hasey case and in cases connected therewith. The account on the photographic copy herewith shows how that part of it was spent, and many thousands of dollars more were spent in similar ways; a grand jury was corruptly packed and a deputy United States district attorney was bribed.

The account purports to show the expenditures made by Morrisey as a "fixer" for the railroad in the Hasey case after the change of venue from Valdez to Juneau. The letter from Carson, who was one of Hasey's attorneys at Juneau, to Jarvis, the Seattle treasurer for the company, is approved by Bogle, the general counsel at Seattle. These men are prominent in business circles at Seattle and have great influence in Alaskan matters, and unless your department can move against them but little can be done, since it was against the United States and against your department they were using these funds to "entertain witnesses and jurors." The Hasey case was the most prominent effort made by your department to enforce the criminal laws in Alaska, but it was a failure, after long and sustained effort on the part of United States District Attorney Boyce, because of bribery and "entertaining witnesses and jurors."

Jarvis especially, but also Bogle and Carson, are personal friends of Gov. Clark, who knows nothing of these matters and who would be greatly embarrassed if the investigation were put upon his shoulders. Two special agents from your department could soon secure evidence of the violation of the criminal laws by the men named in the letters and account herewith inclosed, and those banded with them, which would shock you, for these criminal efforts are attempting to control even the actions of your own department in relation to Alaskan matters.

If required, I shall give your department the name of the person who has the originals of the letter and account, photographic copies of which are herewith inclosed. He informs me that in the orderly course of a legal prosecution under your guidance he will appear as a witness and give evidence which will make them effective. He is also a witness having important testimony upon other matters directly connected therewith, and is a man of good standing and courage.

This letter is confidential, so far as I am concerned, but you have my permission to use it in any way you may choose.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 15, 1910.

HON. JAMES WICKERSHAM,
House of Representatives, Washington, D. C.

SIR: I am in receipt of your letter of the 14th instant and accompanying papers in connection with the application for pardon of Ed. C. Hasey, who was convicted at Juneau, Alaska, of assault with a dangerous weapon and sentenced to imprisonment for 18 months. The petition in this case was sent to the United States attorney on January 11, 1910, and as yet reports in the case have not been received. I can assure you that your letter will receive very careful consideration in connection with the disposition of the case.

Very truly, yours,

GEO. W. WICKERSHAM,
Attorney General.

HOUSE OF REPRESENTATIVES,
Washington, March 23, 1910.

HON. D. A. SUTHERLAND,
United States Marshal, Juneau, Alaska.

MY DEAR SIR: Herewith I inclose for your information a copy of a letter written by me to the Attorney General of the United States on February 14, 1910, inclosing therewith to him a copy each of the two photographs, copies of which I send to you with this letter; also a copy of a letter from the Attorney General to me, dated February 15, 1910, acknowledging the receipt of my letter to him and of the inclosures.

The two photographs mentioned are of a letter and of an account. The letter is dated May 6, 1908, addressed to Capt. D. H. Jarvis, treasurer, and signed by John A. Carson; the account is between M. B. Morrisey and the Katalla Co. Also inclosed is a copy of another letter, dated November 29, 1909, addressed to John A. Carson by Mr. E. C. Hawkins (though the copy is not signed and is only shown to have been written by Hawkins by its contents and initials).

You will notice from the correspondence that the photographs and some other correspondence were given to me by a man who came into possession thereof properly, and for the purpose of holding them out of the records of the Katalla Co., in Seattle. If he is required to appear and testify he will do so if properly subpoenaed. I suggest that you confer with the district attorney, Boyce, about this matter, and show him so much of this record as you think it proper for him to see. I should not care to have the matter made use of merely to annoy anyone, and I desire that it be entirely confidential so far as I am concerned. However, it is my judgment that if these parties are guilty of an offense against the law they ought to be indicted and placed on trial, and the attorneys engaged in this sort of work ought to be disbarred. I am informed that the Alaska Syndicate people, through Jarvis, Carson, and others, spent \$70,000 in their efforts to save Hasey, for the reason that Jarvis and other of the head officials of the company had instructed Hasey to hold the canyon and shoot anybody trying to take it. These telegrams have probably been destroyed, although evidence might yet be obtained of their existence; but I have it from the very best authority that the telegrams were sent; that Hasey did the shooting under instructions; and that if he should squeal others than he would have had to go to the penitentiary for murder. For this reason they compromised with him by paying him \$5 per day to remain in the penitentiary and carry the burden of their crime in secret.

If Boyce would take hold of this matter from the standpoint of enforcing the law, it is undoubtedly his duty to do it. I send this material to you so that you may consider what to do with it. If he will do his duty, then he ought to have the evidence; but I should greatly regret to see it used for newspaper purposes or anything of that kind. Not one but a series of crimes has been committed by men in high places; and this is the beginning of the evidence to prove it. If Boyce will take hold of the matter courageously and convict the whole bunch, Alaska would be greatly benefited thereby, and men of this character would hereafter hesitate to corrupt the courts, stuff the ballot boxes, fix the grand juries, and bribe a deputy United States district attorney. All of these things have been done by the men whose names are signed to these letters; and Boyce can easily get the testimony if he wants it.

I trust this matter to you, because I conceive it to be my duty to make some effort to break up this bunch of highbinders working under the direction of the Alaska Syndicate. There is going to be no security for honest officials in Alaska unless this bunch is sent to the penitentiary, and it is up to Boyce to do it. Has he got the courage?

Very truly, yours,

JAMES WICKERSHAM,
Delegate from Alaska.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 25, 1910.

HON. JAMES WICKERSHAM,
House of Representatives.

DEAR SIR: I understand that statements have been made that you are in possession of certain evidence substantiating a charge made by Messrs. Boyce and Sutherland, the former United States attorney and marshal for the first division of Alaska, concerning criminal practices connected with the case of United States v. Hasey. I am at present engaged in investigating this matter, and I should be very much obliged if you would submit to me the evidence which you have, or procure it to be sent to the department. I should be glad to make an appointment to see you or the other gentlemen mentioned, in order to take up this matter, at some time which will be convenient, and if you will have your secretary call up mine they will arrange a mutually convenient date.

Faithfully, yours,

GEO. W. WICKERSHAM,
Attorney General.

MAY 27, 1910.

The ATTORNEY GENERAL, Washington, D. C.

SIR: I have your letter of May 25, saying that you understand that I have some evidence in support of the charge made by the deposed marshal and attorney for the first division of Alaska concerning criminal practices connected with the case of United States v. Hasey. You also say that you are engaged in investigating this matter and ask me to submit what evidence I have in aid of your investigation. I have what seems to me quite convincing evidence of that and other criminal practices in the matter of obstructing justice in the courts of Alaska, which I consider it my duty to submit to you. I shall be glad to bring it to your office, submit it to you, and give you any further assistance in my power in the protection of the courts in Alaska from corruption and reproach. I shall be glad to call on you at any moment when you may find it convenient to give me an audience, and bring the evidence.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

HOUSE OF REPRESENTATIVES,
Washington, May 24, 1910.

The ATTORNEY GENERAL,
Washington, D. C.

SIR: Herewith inclosed is a true copy of an affidavit which was delivered to me on yesterday, signed by H. J. Douglas, and subscribed and sworn to on the 23d day of May, 1910, before Benjamin Vail, notary public in and for the District of Columbia.

The substance of the accusation in this affidavit is that in 1908 the War Department called for bids for supplying coal at Fort Lisicum and Fort Davis, in Alaska; that D. H. Jarvis, the treasurer and business manager of the Alaska Syndicate corporations at Seattle, and one J. H. Bullock, the manager of the John J. Seson Co., conspired together to put in high and extravagant bids, under an agreed plan, and then to divide the illegal and unjust profits obtained from the Government. The information is that they each made the necessary oath that each bid was bona fide and not in collusion with any other person, and that upon such affidavits they presented their bids, and the award was made to Seson Co. at \$28 per ton for 4,000 tons of coal, amounting to \$112,000. An examination of the market at that time will disclose that that coal could have been obtained by the Government at the same posts in Alaska for at least \$48,000 less than the bid accepted. The evidence is that, in pursuance to their conspiracy and perjury, the Seson Co. paid to the Northwestern Commercial Co., one of the Alaska Syndicate corporations, of which Jarvis is treasurer, something more than \$6,700. Whether or not the false affidavit in this case constituted perjury I do not know, but certainly there was grave fraud against the Government in this combination.

On February 14 last, I sent you photographic copies of a letter and of an account, the letter dated Seattle, Wash., May 6, 1908, signed by John A. Carson, and directed to Capt. D. H. Jarvis, and the account being dated May 6, 1908, and being an account between the Katalla Co. and M. B. Morrissey; the said letter and account disclosing certainly that a corruption fund had been expended in the trial of the case of the United States v. Hasey, in corrupting witnesses and jurors against the Government in that case. The Capt. D. H. Jarvis mentioned in that letter and account is the same D. H. Jarvis who is mentioned in the affidavit herewith inclosed as having falsely and corruptly grafted from the Government funds in the supply of coal at Forts Davis and Lisicum.

Also inclosed herewith is a copy of an affidavit, the original of which was this day filed with the subcommittee of the Committee on the Judiciary of the United States Senate, which affidavit is made and signed by William A. Barnhill, an assistant United States district attorney, on the 2d day of May, 1910, before Richard Johnson, a notary public at Juneau, Alaska. I call your attention to the efforts made by W. B. Hoggatt, then governor of Alaska, and Thomas R. Lyons, as stated in the affidavit, to defend notorious criminals against the efforts of John J. Boyce, United States district attorney, to prosecute them, and who, in aid of their efforts to protect the criminals, sought to bribe the assistant district attorney to throw the case of the United States by the promise of an appointment and the support of the Guggenheims in that effort, and who have now aided in the removal of District Attorney Boyce.

Your attention is also called to the fact that these same leaders of the criminal element in Alaska caused the removal of United States District Attorney Harlan, because he persistently insisted upon the performance of his duty in the prosecution of these criminals. I also call your attention to the additional statements showing that Hasey was persuaded to keep silent and go to the penitentiary to protect Jarvis and others who had ordered the shooting of laboring men in the Keystone Canyon. There is much other additional evidence in the form of affidavits and records of these and other crimes which these parasites upon the Guggenheim corporations have committed in Alaska, most of which has been filed with the subcommittee of the Committee on the Judiciary of the United States Senate.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

HOUSE OF REPRESENTATIVES,
Washington, May 24, 1910.

The SECRETARY OF WAR, Washington, D. C.

SIR: Herewith inclosed I have the honor to hand you a copy of a letter which I have this day forwarded to the Attorney General, together with copies of the affidavits mentioned therein. I call your attention to so much of this letter as deals with the matter of false statements in respect to the collusion between bidders and the exorbitant prices imposed upon the Government in the matter of furnishing coal to the military posts at Fort Davis and Fort Lisicum, Alaska.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

(No answered ever received to the letter addressed to the Secretary of War.)

UNITED STATES OF AMERICA,
District of Columbia, ss:

H. J. Douglas, being first duly sworn, upon oath deposes and says: That during the spring and summer of 1908 this affiant was the auditor of the Northwestern Commercial Co., the Northwestern Fisheries Co., the Northwestern Lighterage Co., the Northwestern Steamship Co., and, to December 31, 1909, general auditor of the Copper River Railway, the Copper River & Northwestern Railway, and the Katalla Co.; in fact, all of the Alaska Syndicate companies at Seattle, Wash. That as such auditor and accountant this affiant had intimate knowledge of the accounts of the said various corporations as kept in their said account books at Seattle, Wash.

That it has been the custom for the War Department to advertise for bids for supplying coal to the Alaska military posts; and that in the spring of 1908, the United States Government did advertise for bids for coal for Fort Davis and Fort Lisicum, in the Territory of Alaska. That at that time one D. H. Jarvis was treasurer of the aforesaid companies, and, as such, and as the confidential manager of the said companies, became interested in securing the contract for furnishing the coal for the said two military posts. That the John J. Seson Co., of Nome, was also a competitor. That at that time one John H. Bullock was the manager of the said John J. Seson Co., and was in the city of Seattle. That he and the said Jarvis had many conferences in respect to the said bids and agreed one with the other, each for his corporations interested, to put in bids which would insure the award of the said bid to one or the other of these competitors (there being no other competitors), at a price which would insure a very large profit to them. They agreed upon certain lighterage tariffs which were prepared between them, and agreed upon a division of the profits of the said bids, and, thereupon, each put in a bid for the said contract. Each of the said parties, the said Jarvis and the said Bullock, made, signed, swore to, and delivered to the United States an affidavit, which substantially, to the best information of the affiant, stated that no one but the company which the affiant represented had any interest in the contract, for which affiant presented a bid for his company; that the said affidavit made by the said Jarvis in that respect was false, and known by him to be false, because previous to the making thereof he had agreed with the said Bullock to a division of the profits between them. That affiant is informed and believes that said affidavits and bids were forwarded to the quartermaster at Fort Vancouver, Wash., by the said Jarvis and Bullock who went personally to that post at the opening of the bids. Affiant is informed and believes, and refers to the bids for exactness, that the contract was awarded to the John J. Seson Co. for about \$28 per ton for about 4,000 tons. That the said Jarvis affidavit was made by him in that matter before one Harris, in Seattle, a notary public, about April, 1908.

That immediately thereafter, during the summer of 1908, the said Seson Co. delivered the said coal to the said United States military posts and the Government paid for the same, as shown by the bids and the accounts of the Government. That thereafter, and about February or March, 1909, and in settlement of the agreement between Jarvis and Bullock, the said Seson Co. paid to the said Northwestern Commercial Co. at Seattle the sum of \$6,700, or thereabouts, as the share which was agreed to be paid by the said Seson Co. to the corporations represented by the said Jarvis; and the said sum of \$6,700, or thereabouts, was carried into the accounts of the Northwestern Commercial Co., and credited to the Nome station.

Affiant is now informed that said transaction was illegal, and that the said statement in the affidavit of Jarvis was in violation of law. That affiant says, of his own knowledge, that the credit for the \$6,700, and odd, was carried into the book accounts of the said Northwestern Commercial Co., but affiant has no knowledge where the bids and affidavit of the said Jarvis now are.

H. J. DOUGLAS.

Subscribed and sworn to before me this 23d day of May, 1910.

BENJ. VAIL,

Notary Public in and for the District of Columbia.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 28, 1910.

HON. JAMES WICKERSHAM,
House of Representatives.

SIR: I am in receipt of your letter of the 24th instant, with inclosures. I note that you say that on February 14 last you sent me photographic copies of a letter and of an account, the letter dated Seattle, Wash., May 6, 1908, signed by John A. Carson, and directed to Capt. D. H. Jarvis, the account being dated May 6, 1908, being an account between the Katalla Co. and M. B. Morrissey. I am unable to find any record in this department of those papers. I find no communication from you transmitting them, nor copies of the papers themselves, and I have no recollection of ever having seen the papers myself. I should therefore be obliged if you would send me copies of them, as I intend to have the whole matter to which you refer carefully investigated by impartial counsel.

Respectfully,

GEO. W. WICKERSHAM,
Attorney General.

MAY 29, 1910.

The ATTORNEY GENERAL,
Washington, D. C.

SIR: I am in receipt of your letter of May 28, acknowledging mine of the 24th, with which I forwarded you a copy of the Douglas affidavit. In that connection I referred to my letter of February 14 last contain-

ing photographic copies of a letter and an account, the letter dated Seattle, Wash., May 6, 1908, signed by John A. Carson and directed to Capt. D. H. Jarvis; the account dated May 6, 1908, and being an account between the Katalla Co. and M. B. Morrissey.

You now inform me that you are unable to find any record of those papers in your department, nor any communication from me transmitting them, nor any copies of the papers themselves, and that you have no recollection of ever having seen them, and you request that I send you additional copies.

On the 14th of February I sent the papers and letter of transmittal to you by my secretary, Mr. Barney Goss, who informs me that he delivered them personally to your secretary, Mr. Cole, and that the package was opened and the papers examined by Mr. Cole in his presence.

I have your letter of February 15, acknowledging receipt of my letter of February 14 and the accompanying papers, and you assure me that the letter "will receive very careful consideration in connection with the disposition of the case." The case referred to is that of the pardon of Ed. C. Hasey, convicted at Juneau of shooting the employees of an opposition railway to the Alaska Syndicate. On March 28 I received a letter signed by James A. Finch, pardon attorney, announcing the judgment of your department that, owing to the nature of the reports in the Hasey case, the department would not be justified in presenting the matter to the President for his consideration. I send you a copy of each of these communications herewith.

May I suggest that my letter of February 14 and the inclosures therewith, having been used by the pardon attorney, may be in his records in the file of the Hasey case? I would send you copies immediately with this communication but for the fact that I have none, and it will require a day or two to get them. If you find that you do not have the originals sent you, and Mr. Cole will telephone me, I will at once attempt to secure new copies for you.

Permit me again to offer to give to you all the information and evidence in my possession regarding these charges. However, I shall most certainly object to any proposition to have Gov. Clark examine into this or any other matter in connection with the charges. He is under the complete domination of Shackelford and Hoggatt, who constitute the head and front of the Alaska Syndicate lobby, and is far more dangerous than either, because the President apparently has confidence in his honesty and integrity. For more than two months he has been in Washington in constant association and conference with those two men with the purpose of protecting criminals in Alaska who are seeking to control the courts and the administration of justice therein.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 31, 1910.

HON. JAMES WICKERSHAM,
House of Representatives.

SIR: I am in receipt of your letter of 29th instant with regard to the Douglas affidavit. Your letter of 24th instant relating to that matter seemed to indicate that this related to a crime which should be investigated and prosecuted. On receipt of your further letter of 29th instant, showing that the correspondence related to the pardon of Ed. C. Hasey, the previous correspondence was found in the office of the pardon attorney. I find that your previous communication was considered in connection with the Hasey matter, and that a pardon was not recommended, and of that you were advised by the pardon attorney on March 28, 1910.

Respectfully,

GEO. W. WICKERSHAM,
Attorney General.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 31, 1910.

HON. JAMES WICKERSHAM,
House of Representatives.

SIR: Referring to your letter of 27th instant, I have asked Assistant Attorney General Harr to take up with you the papers and matters which you refer to as bearing upon the subject to be investigated; and he will meet you at your convenience for that purpose.

Respectfully,

GEO. W. WICKERSHAM,
Attorney General.

DEPARTMENT OF JUSTICE,
Washington, June 6, 1910.

HON. JAMES WICKERSHAM,
House of Representatives,
Washington, D. C.

SIR: The Attorney General has asked me to look after the Hasey and other matters which you recently called to his attention, and I have now before me your letter of the 4th instant in further reference thereto.

Will you please call to see me in regard to these matters at your earliest convenience, and also furnish me with copies of the testimony which you say has been filed with the chairman of the subcommittee of the Committee on the Judiciary of the Senate?

Respectfully,

WILLIAM R. HARR,
Assistant Attorney General.

JUNE 4, 1910.

THE ATTORNEY GENERAL, Washington, D. C.

SIR: I am in receipt of your letters of May 31 in respect to the Douglas affidavit and prior correspondence in respect to photographic copies which I sent you in the Hasey matter. You suggest that in my letter of the 24th of May, relating to the Douglas affidavit, I seemed to indicate that that affidavit related to a crime which should be investigated and prosecuted. I most certainly did, and so that there may be no further misunderstanding I now respectfully call to your attention the Douglas affidavit and the two photographic copies of the Carson letter and the Morrissey account as evidence of the corruption of the courts in Alaska and of perjury and fraud in the sale of coal to the Government. I have filed these matters with you, hoping that the department would investigate the matters, and if they found such evidence of crime as would justify it that prosecutions might be brought against the guilty parties.

There is much other testimony in line with these two or more parts, and most of this is now on file with Senator Nelson, as chairman of a subcommittee of the Committee on the Judiciary of the Sen-

ate, in the matter of the confirmation of Herbert L. Faulkner and John Rustgard, appointed, respectively, as United States marshal and United States district attorney for the first division of Alaska. I have copies of all this material, and it is entirely at your disposal. I shall be very glad to meet Assistant Attorney General Harr either in the Department of Justice or in my own office, and will give him all the information I possess in respect to the matters mentioned.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

JUNE 24, 1910.

STUART MCNAMARA, Esq.,
Department of Justice, Washington, D. C.

MY DEAR SIR: When you did me the honor to call the other day and say that you were going to Alaska to investigate conditions there as the representative of the Department of Justice, I made some criticisms upon the department which you wished me to put in writing.

I expressly said to you that I made no criticism of the motive of any Attorney General who has ever been connected with the Department of Justice in Washington; that I believed the head of that department had always acted from a high sense of duty, but that the difficulty arose from the want of information and incompetency in the department to manage affairs in Alaska. I told you that the first judge of the district court in Alaska, Judge McAllister, was removed within 18 months of his appointment for political reasons, and you will discover the facts in relation thereto in the case of McAllister v. United States (141 U. S., 174). The next judge, his successor, absconded from Alaska within six months of his appointment, just ahead of a warrant for his arrest for embezzlement, and he has been a fugitive from justice ever since. This course of dealing with the judgeships in Alaska has continued to date; for no judge in Alaska, except Judge Moore, was ever reappointed and confirmed. Incompetent men have been appointed judges, only to be removed within a year; and, if competent, they have frequently been removed without notice because of the honest performance of their duties. I do not know of but one marshal who ever served out his term of office; Marshal Shoup and Marshal Perry both served out a first term, but the one resigned before he served out his second term because he knew he would not be supported by the department, and the other was peremptorily removed.

This rotating system of carpet-bagging officials in Alaska has all come from the incompetency of the Department of Justice. I said to you the other day that if an official dared to procure the indictment of a rich man in Alaska, that man might send his attorney to Washington and procure the removal of the official who was doing his duty fearlessly. As an example, Mr. Grigsby, the district attorney at Nome, was requested to resign some time ago because he had procured the indictment of Jafet Lindeberg, at Nome, for perjury. Lindeberg sent his attorney, Mr. Fink, to Washington, who secured a demand for Grigsby's removal, which was later withdrawn upon a showing made by Grigsby. Judge Moore was included in the complaints made by Fink in Washington, and the good record which he has built up and maintained in eight years' hard and industrious work for the Government on that frontier was destroyed, because it was known he would do his duty with respect to prosecuting this wealthy perjuror.

As another example, Sutherland and Boyce, respectively marshal and district attorney at Juneau, were recently removed without any notice or opportunity to be heard for having dared, the one to sign his name to indictments voluntarily found by the grand jury, and the other because he would not corruptly pack a trial jury with the friends of the defendant at the request of the attorney who came to Washington and secured his removal. I can give you many instances of this sort of thing, and the proof so clear and convincing that you can not doubt, and this system has now continued in Alaska for 26 years. I said to you the other day that the Department of Justice had become a menace to the people of Alaska, and that it was a hopeless failure by reason of its inability to shield the people from dishonest officials on the one hand, and to support and protect honest officials in the discharge of their duty on the other. An honest official engaged in the performance of his duty in Alaska is attacked by hired lobbyists in Washington. These smooth gentlemen go to the Department of Justice and file charges against him; they discover that they have aroused some prejudice and they renew and supplement these charges from other quarters until, finally, the Department of Justice is convinced by this secret method that the official is guilty of some wrongdoing and ought to be removed. The charges may be ridiculous and the evidence false, but the whole thing is maintained in the secret file until there is such an array as to prejudice the department against the official, who is, in the meantime, performing his duty in Alaska without any knowledge of the conspiracy to effect his ruin between his enemies and the Department of Justice.

You may ask, Why does not the accused official explain the charges against him? The answer is very simple. The charges are made in secret and the accused official does not know of their existence until he has been removed. He then comes forward like Mr. Sutherland and Mr. Boyce did, and demands a hearing, only to be told by the Senate subcommittee, "Why, we can't hear you; you must talk to the President." The President declines to hear them because it is a reflection upon his fairness in removing them without notice, so they get no satisfaction. In a dozen cases of this kind honest, competent officials in Alaska were removed without notice or a hearing upon the active effort of men whom they have been compelled to prosecute by their oath of office.

In 1900 Judge Noyes was appointed judge through the influence of a powerful lobby, and sent to Nome, Alaska, with a deliberate and premeditated purpose of robbing a certain class of miners their claims. (See 106 Fed., 775; 109 Fed., 971.) It is believed in Alaska that a deliberate attempt is now being made by the attorneys and lobbyists of the Guggenheims to get control of the public offices in Alaska for an equally nefarious purpose—that of securing a monopoly of mining, transportation, and other interests in Alaska, and of protecting the Guggenheims against charges which are being made against them of corrupting the ballot box, corrupting the grand jury, bribing a deputy district attorney, and corruptly bribing and controlling witnesses and jurors in the Hasey case.

You may say in answer to this rather lengthy statement, What do you suggest?

This: That the Department of Justice knows, before it appoints a man to office in Alaska, that his appointment is not being secured for the purpose of shielding some perjuror from prosecution, or for the purpose of serving any other master than the United States. Second, that the Department of Justice protects its officials in the performance of their duty, instead of being a party to a conspiracy to punish them

for acting bravely and independently. Somebody ought to be responsible for appointments in Alaska to the extent that an accusation against an official ought not to be acted upon until after notice to him, and an opportunity to defend. No petty criminal, not even a tramp, can be found guilty and fined \$1 until after notice and an opportunity to defend. It is remarkable that the one department in the whole Government which ought to stand for an orderly administration of American principles should be the very worst to violate them. Go back to the Sutherland and Boyce case again for a moment. The attorneys and agents of the Guggenheims knew that Rustgard was a great friend of Senator NELSON. They brought Rustgard down from Nome and kept him at Gov. Hoggatt's house. Senator NELSON recommended Rustgard's appointment; he had previously filed charges against Boyce. He secured his own appointment as chairman of the subcommittee to determine whether or not Rustgard ought to be confirmed. He was the accuser of Boyce and the judge of his rights. No possible charge against Rustgard could have any force or effect to prevent his confirmation. It is this sort of jury packing in the Senate committee and the connivance therein of the Department of Justice which has made the people of Alaska feel that the department is unfair and incompetent in the matter of Alaskan appointments.

I regret to have taken up so much of your time in this matter, for I am satisfied that it can have no effect. A consistent, though vicious, course of action in the department of 25 years' standing will probably not be abandoned now. I have no doubt that if you shall look into this matter you will discover that there is a wrong without a remedy. The wrong is doubly so because it is connected with the Department of Justice. It is a wrong which could be easily remedied through the department, and the remedy would make better officials in Alaska, and create greater loyalty to the department. It would, however, render less forceful the pull of the politician, and Alaskan appointments have ever been the sport of these gentlemen.

Is it not possible, however, to so arrange matters in the Department of Justice that officials may be protected when right, and punished and removed when wrong, by some fair and systematic course of action similar to a trial of an issue in court? Such a system would give confidence to the people and would enable an honest man to defend himself. If the people knew that a man had that sort of a hearing, and his removal followed, the presumption would be in favor of the judgment, whereas it is now the other way.

If you have any interest in this matter, I should be glad to talk to you personally about it, and give you more specific facts and details.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

EXHIBIT D.

[S. 6925, 60th Cong., 1st sess.]

A bill for the relief of the Alaska Terminal & Navigation Co.

Be it enacted, etc., That the Alaska Terminal & Navigation Co., a corporation organized and existing under the laws of the State of Washington, its successors and assigns, be, and they are hereby authorized to purchase, for terminal purposes and for the building of approaches, wharves, docks, warehouses, elevators, oil tanks, coal bunkers, and such other structures as may be necessary for the conduct of the business of said Terminal & Navigation Co., 640 acres of the public lands, which are not coal lands or mineral in character, on the south end of Kanak Island, on Controller Bay, in the Territory of Alaska, for which said 640 acres the said company shall pay to the United States \$1.25 per acre. Said lands to be selected by said company by legal subdivision, together with the mud flats or tide lands in front thereof. Said lands shall be selected in a compact body, with the water front on Controller Bay not exceeding 1 mile. Said Terminal & Navigation Co. shall pay the cost of surveying the same, as now provided by law in the Territory of Alaska. Said company shall have the right to select lands claimed or occupied: *Provided*, That it shall obtain from the claimant or occupant an assignment or relinquishment of his rights if such lands were claimed or occupied prior to the passage of this act, which assignment or relinquishment in writing shall be filed with the survey of such lands in the office of the register of the United States land office in the district where said lands are situated.

Said company shall have the right to improve the said mud flats or tide lands hereby granted for purposes of trade, commerce, and manufacture, in accordance with plans submitted to and approved of by the Secretary of War.

That the public shall have the right to use all wharves, docks, slips, and waterways erected upon said harbor area and front of the lands granted by this section, upon payment of reasonable charges therefor, to be regulated by the Secretary of the Interior: *Provided further*, That the Secretary of War shall, as soon as may be after the passage of this act, cause a harbor area to be established along the water front in front of the lands granted by this section, at or near the south end of Kanak Island, not exceeding 800 feet in width, which said harbor area shall be reserved in perpetuity for the public, and beyond the outer line of which it shall be unlawful to erect any pier, wharf, dock, or other structure, and said harbor area is hereby reserved from the mud flats or tide lands in this section granted.

Sec. 2. That said company shall have the right to locate its right of way along the navigable waters of Alaska and as near thereto as may be necessary for the safe, economical, and efficient construction and operation of its line of railway, any restriction, condition, reservation, or easement provided in, by, or under any act of Congress to the contrary notwithstanding: *And provided further*, That any other railroad company that may desire to make its terminus on Kanak Island shall have the right to condemn for rights of way and terminal purposes, in the manner provided by law, any of the lands granted by section 1 of this act.

Sec. 3. That the said company is authorized to construct, maintain, and operate four bridges and their approaches thereto in the Territory of Alaska, located as follows: First, from the north end of Kanak Island to the mainland at or near Strawberry Point or Controller Bay; second, from the east side of Kanak Island to the mainland on the west side of Controller Bay; third, across Bering Lake; and, fourth, across the Katalla River, at or near its mouth, connecting the town of Katalla with the east mainland. Such bridges to be approved by the Secretary of War in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 4. That said company shall be exempt from license tax and tax on its railroad during the period of construction: *Provided*, That the

total period of exemption shall not exceed five years from the passage of this act.

SEC. 5. That the right to alter, amend, or repeal this act is hereby expressly reserved.

[Calendar No. 660. S. Rept. No. 657, 60th Cong., 1st sess.]

SALE OF LANDS ON SOUTH END OF KANAK ISLAND, ALASKA.

Mr. FLINT, from the Committee on Public Lands, submitted the following report (to accompany S. 6925):

The Committee on Public Lands, to whom was referred the bill (S. 6925) for the relief of the Alaska Terminal & Navigation Co., having had the same under consideration, beg leave to report it back in the nature of a substitute and recommend that the substitute do pass.

Your committee referred S. 6925 to the Secretary of the Interior for information and advice in regard to the same, and in his letter of May 8, replying to the request of the committee, forwarded a bill which he stated embodied his views on the subject. It is this bill which your committee now report as a substitute for S. 6925.

Attention is invited to the letter from the Secretary of the Interior, which is attached hereto and made a part of this report.

Amend title of bill so as to read: "A bill to authorize the sale of lands on the south end of Kanak Island, in the District of Alaska."

DEPARTMENT OF THE INTERIOR.

Washington, May 8, 1908.

SIR: I have your request for a report on Senate bill 6925, entitled "A bill for the relief of the Alaska Terminal & Navigation Co.," and in reply beg to submit that I can not sanction passage of this bill in its present form.

In the first place, the right to purchase lands for terminal purposes is given to this corporation "and its successors and assigns," thus enabling it to make merchandise of the right the moment the bill becomes a law, which is an objectionable feature.

The price of the lands should be fixed at not less than \$2.50 per acre, which is the cheapest price fixed by the mining laws.

These lands have not been surveyed and are not likely to be surveyed into legal subdivisions under the laws providing for rectangular surveys. The entry can not, therefore, be made "by legal subdivisions," as is provided in section 1 of the bill, and the bill should be so modified as to require the application to purchase to be accompanied by the survey of the lands made at the expense of the applicant and approved by the surveyor general.

In view of the fact that these lands have not been surveyed or examined and classified I have no means to readily ascertain whether they are mineral in character or suitable for harbor purposes, or of informing you as to the extent to which they may be occupied or held by adverse claimants. Under existing laws lands may be covered by homestead claims or held by mineral locations for an indefinite period before this department will receive any information as to the extent of such claims or locations, for the reason that notice of homestead claims or mineral locations are filed with local recorders only, and are not brought to the attention of the Land Department until the claimants apply for patent. Again, under the act of May 17, 1884 (23 Stat. L., 26), the claims of Indians or other persons in possession and actual use and occupation of lands are protected until such time as Congress shall provide the method by which they can acquire title, and there are doubtless many claims of this character in Alaska which have not been brought to the attention of this department.

It appears that the lands affected by this bill, or a portion of them, are tide lands, lying below mean high tide, but the Supreme Court, in *Shively v. Bowlby* (152 U. S., 48), has declared:

"That Congress has power to make grants of such lands within Territories whenever it becomes necessary to do so in order to perform international obligations, or to effect the improvement of said lands, or the promotion and convenience of commerce with foreign nations, or among the several States, or to carry out other public purposes appropriate to the objects for which the United States hold the territory."

In my judgment a harbor area of 1,000 feet should in all cases like these be reserved after it has been designated by the Secretary of War and that all wharfage privileges should be secured to the public under such regulations and subject to such reasonable charges as may from time to time be prescribed by the Secretary of the Interior.

The bill provides "that any other railroad company that may desire to make its terminus on Kanak Island shall have the right to condemn for its right of way and terminal purposes in the manner provided by law any lands granted" by section 1 of this act. In my judgment the existing law conferring the right of eminent domain is sufficient for the purposes contemplated by this provision, and the making of this provision in this act may possibly be misconstrued as limiting the law of eminent domain to such extent as to prevent condemnation for any other than the purposes specified in the provision.

Section 2 of the bill grants the company a right of way "along the navigable waters of Alaska and as near thereto as may be necessary for the safe, economical, and sufficient construction and operation of its line of railway, any restriction, condition, reservation, or easement provided in, by, or under act of Congress to the contrary notwithstanding." I am not in possession of sufficient knowledge of physical and topographic conditions in locality where this right of way is desired to enable me to make a recommendation on this provision and if it is desired that the part of this bill which authorizes the sale of the terminal lands become a law at this session of Congress I suggest that the provision relating to the right of way be eliminated.

Section 3 of the bill authorizes the construction, maintenance, and operation of four bridges. In my judgment this provision should form the subject of a separate bill, and this bill should, if it is to be enacted at all, confer only the rights of purchases conferred by its first section.

Section 4 of the bill exempts this company from taxation during the period of its construction, and names no period within which its railroad shall be constructed. In my judgment this section should be eliminated, as ample provision is already made by the general law on this subject.

I am of opinion that this bill should be materially altered, and for that purpose I am submitting herewith a draft of a proposed substitute, which is akin to the provisions of a proposed substitute submitted to you with my report on Senate bill 6418, which authorized a similar purchase at the head of Cordova Bay. It occurs to me that

the proposed substitute is desirable, since its provisions are more elastic and better safeguard the interests of the Government and the public.

Very respectfully,
JAMES RUDOLPH GARFIELD,
Secretary.

The SENATE COMMITTEE ON PUBLIC LANDS.

Proceedings (RECORD, 1st sess. 60th Cong., p. 6226) in the Senate on May 14, 1908, on the bill (S. 6925) for the relief of the Alaska Terminal & Navigation Co. (Rept. 657):

Mr. Flint, of California, reported the bill with amendments and a report.

Proceedings (RECORD, 1st sess. 60th Cong., p. 6325) in the Senate, May 15, 1908:

ALASKA TERMINAL & NAVIGATION CO.

The bill (S. 6925) for the relief of the Alaska Terminal & Navigation Co. was announced as next in order.

Mr. GUGGENHEIM. I object to the consideration of the bill.

The VICE PRESIDENT. Objection is made by the junior Senator from Colorado to the consideration of the bill.

Proceedings (RECORD, 1st sess. 60th Cong., p. 6533) in the Senate, May 19, 1908:

ALASKA TERMINAL & NAVIGATION CO.

Mr. KEAN. I ask that the next bill on the calendar, the bill (S. 6925) for the relief of the Alaska Terminal & Navigation Co., be placed on the calendar under Rule IX.

The VICE PRESIDENT. The bill will go to the calendar, under Rule IX, at the request of the Senator from New Jersey.

EXHIBIT E.

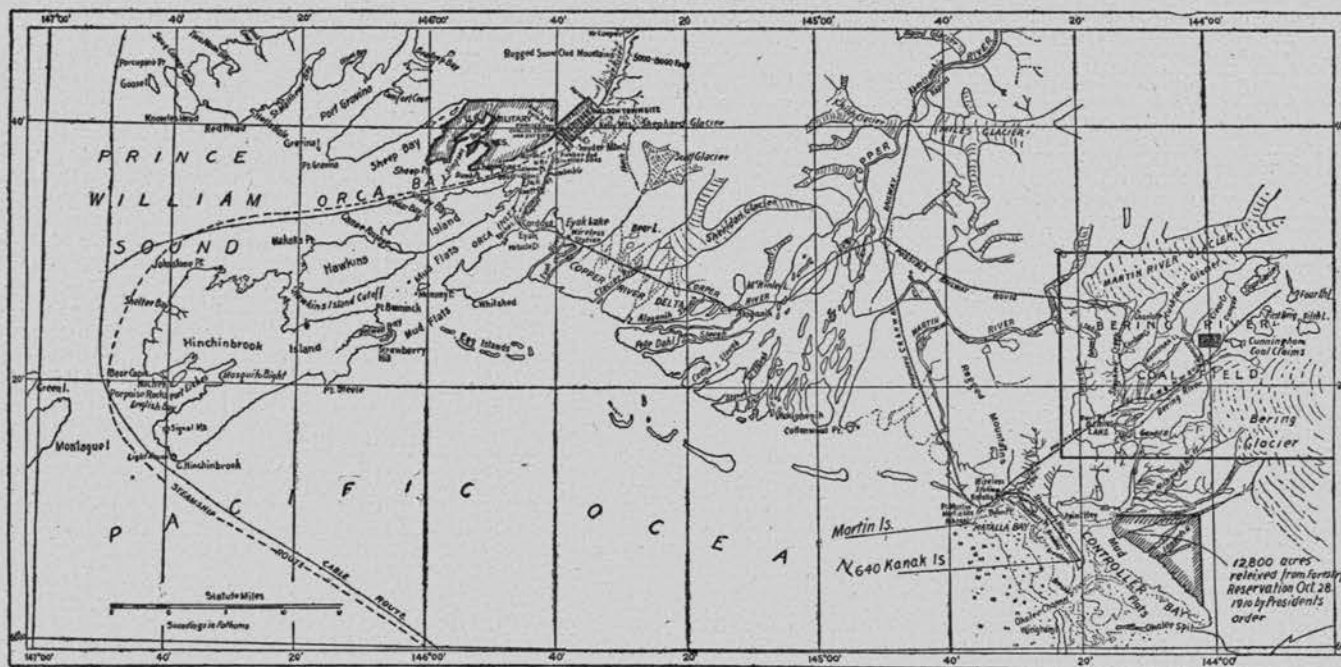


EXHIBIT F.

[S. Rept. No. 873, 61st Cong., 2d sess.]

COPPER RIVER & NORTHWESTERN RAILWAY CO.

The Committee on Territories, to whom was referred Senate bill 6316, have examined the bill and report it back with the following amendment:

In line 12, after the word "act," insert the following: "and that nothing in this act contained shall be construed to extend the time now fixed by law during which said railroad must be completed."

This amendment is made to conform with the suggestion of the Secretary of the Interior in the letter herewith set forth.

DEPARTMENT OF THE INTERIOR.

Washington, March 1, 1910.

SIR: I have received your letter of February 16, 1910, requesting my views on Senate bill 6316, Sixty-first Congress, second session, "To relieve the Copper River & Northwestern Railway Co. in Alaska from taxation."

The bill provides that the said railway company, or its successor, shall be exempt from license tax and tax on its railway and property during the period of its construction and during five years thereafter, the total period of exemption not to exceed 10 years from the date of the passage of the act, it being further provided that exemption from taxation shall exist only during the continuance of construction of the road in good faith.

I have the honor to advise you that it is shown by the report of the governor of the District of Alaska for the fiscal year 1909 that the Copper River & Northwestern Co. is continuing its construction up the Copper River Valley; that on July 25 this road began operating its first 55 miles of road, extending from Cordova to a point above the Abercrombie Rapids on the Copper River, and by the close of the season there will be completed about 105 miles of the railroad. The company has employed during the summer about 3,000 men on construction and maintenance work.

Speaking further, relative to this road, the governor says that with the completion of the road and a summer communication to the Bonanza mine, a large permanent camp will be established on the south slope of the Alaskan Range of mountains, from which men can prospect for copper in that range and north to the headwaters of the White River, where very promising indications of copper are already known, and that if such deposits as are indicated are found this railroad could be profitably extended northward.

Referring generally to the subject of transportation, the governor states that if a railroad is to be built from the coast of Alaska to the Yukon Valley it will be necessary for the Government to bear a part of the burden of the expenses of operation for 10 or 15 years after the construction of the road, which period will be required for the development of the interior of Alaska to such an extent as to make the railroad self-sustaining.

Congress has heretofore granted to other corporations concessions of the character of those incorporated in the present bill. So far as the department is advised, the beneficiary of the measure here in question is in no different situation than the railroad companies heretofore favored; and the only question is as to the wisdom of continuing the granting of such concessions, as to which the department has no suggestions to offer.

I would suggest, however, that a proviso be inserted in the bill to the effect that nothing contained therein shall be construed to extend the time now fixed by law during which the railroad must be constructed.

I inclose herewith a statement filed by the attorneys for the Copper River & Northwestern Railway Co. while the bill was under consideration in the department.

Very respectfully,

R. A. BALLINGER,
Secretary.

HON. ALBERT J. BEVERIDGE,
Chairman Committee on Territories, United States Senate.

WASHINGTON, D. C., February 24, 1910.

SIR: In accordance with the permission accorded us by Mr. Assistant Secretary Pierce, we have the honor to hand you herewith memorandum of facts regarding operations of the Copper River & Northwestern Railway Co. for consideration in connection with Senate bill 6316, as above referred to.

Very respectfully,

CLARK, PRENTISS & CLARK,
BURDETT, THOMPSON & LAW,
Attorneys for Copper River & Northwestern Railway Co.
The SECRETARY OF THE INTERIOR,
Washington, D. C.

[Memorandum.]

Statement of facts regarding operation of the Copper River & Northwestern Railway Co. for consideration in connection with Senate bill 6316, Sixty-first Congress, second session.

The Copper River & Northwestern Railway Co. (hereinafter for convenience called the company), the beneficiary under said bill, was duly organized under the laws of the State of Nevada. Articles of incorporation were filed in the Land Department in May, 1905, and later proofs of its organization, which articles were accepted for filing on July 18, 1905, and the company became a grantee of the Government under the act of May 14, 1898 (30 Stat., 409), with the provisions of which it has fully complied, and in conjunction with its predecessor in interest, the Copper River Railway Co. (evidence of successorship having been accepted by the Land Department on February 16, 1910) is now engaged in building a railroad from Cordova up the Copper River in accordance with its charter. Already 101.5 miles of road have been constructed, and proof of such construction has been in part filed in the local land office at Juneau, Alaska, and proof of construction of the remainder of the road is in course of preparation.

As appears by the statement of S. W. Eccles, Esq., the president of the company, dated December 14, 1908, and addressed to Hon. Fred Dennett, Commissioner of the General Land Office, the purpose for which the construction of this road is now being undertaken is to encourage the development of the vast mineral districts intended to be reached by said road, and by providing regular transportation to interior Alaska—now almost inaccessible—and also to develop the agricultural resources and tend toward permanent settlement of the country along the line of the railroad.

It may not be amiss at this point to state that this 101.5 miles of constructed railroad has been proceeded with with all possible dispatch, and the company already has, in the face of almost insuperable obstacles, constructed a railroad which is equal in all respects to the best construction in the United States.

With respect to the difficulties which have confronted the company in building its road, we refer you to the detailed report of the chief engineer, E. C. Hawkins, Esq., addressed to Mr. S. W. Eccles and dated December 14, 1908, accompanying Mr. Eccles's letter of December 14, 1908, in response to House resolution of May 12, 1908, and included in volume 2 at page 308, of the bound volumes of the House hearings in the Sixtieth Congress, second session.

When construction ceased for this season the company had expended for the building of said 101.5 miles \$10,000,000, and it has not, up to the present time, asked any assistance from the Government of the United States, either in money or in grants of land. The present bill furnishes the first instance the company has asked aid or consideration of the Government, and the present request would seem to be a very small one in view of the enormous amounts which have already been paid out.

Anyone familiar with the conditions in this part of Alaska must realize at the start that it will be many, many years before the company will be able to derive any return from this large expenditure, and it feels, therefore, that it is entitled to consideration from the Congress of the United States in the matter of relief from taxation.

There are numerous precedents for the action proposed in this Senate bill No. 6316, and in none of these cases has the company requesting the benefits of relief from taxation expended even a modicum of the money which has been expended in the construction of this road.

By act approved January 11, 1906 (34 Stat., 6), the Council City & Solomon River Railroad Co. was relieved from the payment of a license fee. (H. R. 99 and Rept. No. 6, 59th Cong., 1st sess.)

By act approved January 18, 1906 (33 Stat., 605; S. 1588, S. Rept. No. 1685, 58th Cong., 2d sess.), the Western Construction Co. was exempted from the license fee upon condition that it build at least 10 miles of railroad each year, etc.

By act approved June 30, 1906 (34 Stat., 798; S. 59101, S. Rept. No. 3461, 59th Cong., 1st sess.), the Alaska Central Railway was exempted from taxation.

By act approved February 21, 1907 (34 Stat., 915; H. R. 25823, Rept. No. 2020, 60th Cong., 2d sess.; and see also S. Rept. 64075), the Valdez, Marshall Pass & Northern Railroad Co. was granted a remission of the license fee while constructing and for a reasonable period thereafter, the committee stating in its report that such remission was "deemed just and equitable by this committee and consistent with relief granted to other companies."

By act approved March 2, 1907 (34 Stat., 1233; H. R. 25184, Rept. No. 7112, 59th Cong., 2d sess., S. Rept. No. 7262), the Tanana Mines Railroad in Alaska was granted exemption from taxation and license fee, the Senate committee in its report stating: "This road asks for no aid in any form except this exemption. The great need of Alaska is railroads, and it would seem that the exemption granted to other railroads should be extended to this very important undertaking."

By act of March 2, 1909 (35 Stat., 684; H. R. 25823, 60th Cong., 2d sess., H. Rept. No. 2020, S. Rept. 1007), the Valdez, Marshall Pass & Northern Railroad was exempted from license tax during the period of construction, the period of exemption not to exceed 10 years.

Secretary Garfield, under date of February 11, 1909, in a report on the bill to the chairman of the Senate Committee on Territories, gave his general approval of the provisions of the bill, including exemption from taxation, except as to the extension of time for construction of the first 20 miles. (See Interior Department file 2-6, pt. 1.)

It will thus appear that Congress, carrying out the policy indicated in the act of May 14, 1898, to encourage railroad construction in Alaska, which policy has been repeatedly referred to with approval in reports of the House and Senate Committees on Territories, has on numerous occasions granted relief from taxation to railroads building in Alaska, evidently deeming it proper that they should not be hampered in their operations by the burden, and, as will be seen from the pending bill, the company merely asks for what other railroads have requested and secured, the provision being identical with that in the said act of March 2, 1907 (34 Stat., 1233), and in the light of the vast expenditure made by the company and the fact that it is showing its faith by the actual construction of a railroad which the Government desires in that part of the country, it is submitted that it is just and equitable that the relief from the onerous burdens of taxation should be granted as provided in the bill.

In the Senate report No. 3461, on the bill relieving the Alaska Central Railway Co. from taxation, above referred to, among the reasons given for such relief are the following:

"(4) As this railroad opens up practically an uninhabited territory and will derive little revenue until it is completed and by its operations has developed the country, it is asked that the property of this company during its pioneering stages be exempted from taxation, and we do not deem the request unreasonable, but the provisions of the bill exempting from taxation should be amended so as to limit the exemption to railway property and property used in connection therewith."

"The bill has been referred to the Interior Department and has received the favorable indorsement of that department. Moreover, it is in line with the recommendation of the President concerning railroads in Alaska. Its general scope and purpose are meritorious and its framework unobjectionable, except with respect to the one matter above noticed."

In view of the equities which support this bill and the policy of aid to railroads in Alaska thus repeatedly shown in the legislation of Congress, we respectfully ask that, in returning the pending bill to Congress, the department will call attention to the facts herein set forth, with a reference to the numerous precedents for the proposed legislation, and that a favorable recommendation be given, or that at least it be suggested that the matter is one resting in the legislative discretion of Congress, and that no reason is perceived why the similar aid ex-

tended to other Alaskan railroads should be withheld from the beneficiary of the pending bill.
Respectfully submitted.

CLARK, PRENTISS & CLARK,
BURDETT, THOMPSON & LAW,
Attorneys for Copper River & Northwestern Railway Co.

[S. 6316, 61st Cong., 2d sess.]

An act to relieve the Copper River & Northwestern Railway Co. in Alaska from taxation.

Be it enacted, etc., That the Copper River & Northwestern Railway Co., a corporation organized and existing under the laws of the State of Nevada, or its successors, having a line of railroad under construction in the District of Alaska, shall be exempt from license tax and tax on its railway and railway property, including that acquired from the Copper River Railway Co. during the period of its construction and for five years thereafter: *Provided*, That the total period of exemption shall not exceed 10 years from the time of the passage of this act and that nothing in this act contained shall be construed to extend the time now fixed by law during which said railroad must be constructed: *And provided further*, That this exemption shall exist and operate only during the continuance of the construction of said road in good faith, and in the event of unnecessary delay in the construction and completion of said road the exemption from taxation herein provided shall cease, and said tax shall be collectible as to so much of said road as shall have been completed five years.

Sec. 2. That Congress reserves the right to alter, amend, or repeal this act.

Passed the Senate June 23 (calendar day, June 24), 1910.

[S. 6316, 61st Cong., 2d sess.—Rept. No. 873.]

A bill to relieve the Copper River & Northwestern Railway Co. in Alaska from taxation.

Be it enacted, etc., That the Copper River & Northwestern Railway Co., a corporation organized and existing under the laws of the State of Nevada, or its successors, having a line of railroad under construction in the District of Alaska, shall be exempt from license tax and tax on its railway and railway property, including that acquired from the Copper River Railway Co. during the period of its construction and for five years thereafter: *Provided*, That the total period of exemption shall not exceed 10 years from the time of the passage of this act and that nothing in this act contained shall be construed to extend the time now fixed by law during which said railroad must be constructed: *And provided further*, That this exemption shall exist and operate only during the continuance of the construction of said road in good faith, and in the event of unnecessary delay in the construction and completion of said road the exemption from taxation herein provided shall cease, and said tax shall be collectible as to so much of said road as shall have been completed five years.

Sec. 2. That Congress reserves the right to alter, amend, or repeal this act.

I.

Section 29 of the act of June 6, 1900 (31 Stat., 321), provides a tax upon railroads in Alaska along with a long list of other trades and businesses, as follows: "Railroads, \$100 per mile per annum on each mile operated."

II.

The Alaska Syndicate owns the Copper River & Northwestern Railway from their private town site of Cordova to their private copper mines at Bonanza, on the Chitina River, the east fork of the Copper River. It is 200 miles from point to point; the road is completed 105 miles, and the remainder will be completed this fall.

III.

The bill proposes to exempt them from taxation on 200 miles, at \$100 per mile, or \$20,000 per annum equals \$200,000 for 10 years.

IV.

The syndicate proposes to build a branch from the mouth of the Copper River eastward into their Cunningham group of coal claims, a distance of 75 miles, and that branch will be included in the exemption; 75 miles, at \$100 per mile, equals \$7,500 per annum for 10 years, equals \$75,000 plus \$200,000, equals \$275,000.

V.

The acts of 1899 and 1900 levying the tax only includes "Railroads, per mile," but the act of exemption includes and exempts them from "license tax and tax on its railway and railway property," which is a new exemption of all railway property.

VI.

The Bonanza copper mine is one of the richest in the world, and the railroad is a special road to haul that ore which is now ready for the cars. The United States sold them 3,240 acres of copper, worth \$50,000,000, at \$10 per acre. The copper is not taxed and their railroad does not open up any of the interior of Alaska, and the road ends at their private copper mines in a cul de sac in the mountains.

VII.

The Tanana Mines Railway, at Fairbanks, Alaska—45 miles in length—was exempted from taxation by a special act of Congress, act of March 2, 1907 (vol. 34, U. S. Stat. L., p. 1233). Altogether a different case. This was a public utility road, and not from a private town site to a private copper mine.

VIII.

Alaska Syndicate: Subsidiary company with American Smelting & Refining Co.—the Copper Trust—which owns and controls not only the Bonanza copper mines, but every copper mine and copper smelter on the Pacific coast. This bill gives the Copper Trust \$275,000 of the people's taxes without any compensatory return. The railroad, which asks exemption from taxes for 10 years, gets a special privilege over all other trades and businesses in Alaska, all of which are taxed.

IX.

The railroad, which appeals for a total exemption from taxation, charges the miner and other Alaskans \$80 per ton for hauling his freight—grub, tools, and supplies for prospecting—105 miles. On horses (minimum carload 18 horses), \$30 per head for 105 miles (see rate sheets), and 15 cents per mile for passenger fare (see rate sheets and letter copy).

X.

See testimony of Alaska Syndicate agents as to length of road, 3,240 acres of copper, and on other matters, before the Senate Committee on Territories.

XI.

In the memorandum attached to Secretary Ballinger's letter the attorneys for the Copper River road show that a number of other railroads in Alaska have been exempted from taxation. The first act referred to (34 Stat., 6) relieves the Council City road from license fee, but they are very careful to say that that road was relieved only for three years, and the time expired the 1st of January last. It is a little stub of a road near Nome, in the hands of a receiver, and was not, like the Copper River road, a private ore-carrying road from a private town site to the Alaska syndicate's private copper mines, but was a public-utility road.

The Western Construction Co., mentioned as the next exemption, and the Valdez & Marshall Pass road, mentioned twice, have no existence as railroads, and never had. There never was a foot of road built for either of them; hence, no exemption.

Only the Alaska Central and the Tanana Mines roads ever received any benefit from an exemption. Both of these are public-utility roads, in which respect they differ entirely from the Alaska syndicate road, which is notoriously a copper-ore-carrying road for the Copper Trust—the Alaska Syndicate and the Copper Trust are identical in at least a portion of their stockholders and managers.

XII.

The attention of Congress ought to be called specially to the wording of the bill. It not only exempts the railroad from the license tax under the acts of 1899 and June 6, 1900, but it also exempts the syndicate from any "tax on its railway and railway property," which is a new exemption.

KATALLA CO.,

Seattle, Wash., February 22, 1910.

CLARENCE L. WARNER, Esq.,

President Mother Lode Copper Mines Co.,
426 Stock Exchange Building, Chicago, Ill.

DEAR SIR: Yours of the 14th instant, addressed to our New York office, making inquiry as to freight rates and ore rates on the Copper River & Northwestern Railway, has been referred to me for reply.

We are now preparing the freight schedule and rate sheets for the coming year's operations, and these will be ready for filing in Washington and for making public within the next few days.

During the present season it must be remembered that our road is in construction stage and we are not seeking public business, although we will do our utmost to handle freight or ore for people operating in the Chitina and Copper River districts. Our rate for this year will also be higher than for the years which will follow.

As to ore rates, I will say that we are preparing what we believe to be a very acceptable tariff. We propose to have a graduated scale, with extremely low rates for the lower-grade ores. The rates between, say, Kennecott River, near your mine, and Cordova will range from \$3.50 to \$4 per ton for the low grade of ores to possibly \$25 per ton for the extremely high-grade bornite and copper glance, which run in values from \$250 to \$300 per ton. The general merchandise rate will be approximately \$70 per ton between Cordova and the mouth of the Nizina. I shall be glad to send you a copy of our rate sheets as soon as they are completed, and should be pleased to hear from you regarding what in your opinion would be satisfactory charges. It is our purpose to make such rates on the road as will be effective in building up the mining industry in the country.

By the opening of navigation—say June 15 to 20 next—we hope to be in a position to handle considerable freight to the lower points on the Chitina River. We expect to have the railway laid to a good steamboat landing on the Chitina at Mile 109, which is about 7 miles above Tlekel. From that point steamers should operate continuously until about the 10th of September. We are planning to have the track laid to the Kennecott mines by the end of November next.

Yours, very truly,

E. C. HAWKINS, General Manager.

[Extracts from tariff sheets, Copper River & Northwestern Railway.]
Passenger (single-trip fare).

From Cordova wharf to—
Eyak River, 6 miles..... \$0.90
Abercrombie, 54.6 miles..... 8.00
Tlekel, 101.6 miles..... 15.00
A straight average of 15 cents per mile throughout.
On river steamers, including meals and berth:

	Miles.	Up river.	Down river.
From Abercrombie—			
Bremner River.....	22	\$5.00	\$4.25
Uranatina.....	59	18.00	12.00
Copper Center.....	122	35.00	25.00

Between local points, not including meals and berth, flat rate of 15 cents per mile upstream and 12½ cents per mile downstream.

Freight (on railroad).

[Rates in dollars and cents per 100 miles.]

Miles or under—	Class.	Carload lots (24,000 pounds).	Less than carload lots.
5.....	A	\$0.50	\$0.60
5.....	B	.60	.70
5.....	C	.70	.90
50.....	A	1.90	2.05
50.....	B	1.95	2.25
50.....	C	2.60	2.90
105.....	A	3.00	3.15
105.....	B	3.05	3.35
105.....	C	3.70	4.00

Horses and mules, \$30 per head for 101 miles.

Cattle, \$24 per head for 101 miles.

Sheep, \$3.50 per head for 101 miles.

Hogs, \$3.75 per head for 101 miles.

Average of 20 per cent reduction on carload lots.

Lumber, lath, and shingles: Rough—\$1.50 per 100 pounds in less than carload lots, and 80 cents per 100 for carload lots, for a distance of 101 miles.

Dressed lumber, \$2 per 100 pounds for less than carload lots; \$1.20 per 100 for carload lots for 101 miles haul.

EXHIBIT G.

[S. 8797, 61st Cong., 2d sess.]

A bill to authorize the Copper River & Northwestern Railway Co. to maintain and operate a wharf in Orca Inlet, in the District of Alaska, and for other purposes.

Be it enacted, etc., That the Copper River & Northwestern Railway Co., a corporation organized and existing under the laws of the State of Nevada, successor in interest of the Copper River Railway Co., be, and is hereby, authorized to maintain, use, and operate for railroad and all other necessary and proper purposes, the wharf in Orca Inlet, or Cordova Bay, in the District of Alaska, and the railway and roadway approaches thereto from the mainland, constructed at Three Tree Point by the said Copper River Railway Co., at the terminus of its line as shown on its map of definite location, which was approved by the Secretary of the Interior on October 29, 1907; and the said Copper River & Northwestern Railway Co. is hereby further authorized and empowered to construct, maintain, and operate such other wharf, or wharves, piers, docks, slips, waterways, coal and ore bunkers, and approaches thereto, on and over the navigable or tide waters of Alaska in said Orca Inlet, or Cordova Bay, at such point or points as may be deemed most feasible or practicable, in the vicinity of its station and terminal grounds thereon, and of the said terminus of its route at Three Tree Point, in accordance with the provisions of the Act entitled "An act to regulate the construction of bridges over navigable waters, approved March 23, 1906"; and a right of way on, through, and over the tide and shore lands of the United States, in the District of Alaska, to the extent of 100 feet on each side of the center line of its road as constructed, is hereby granted and confirmed to the said Copper River & Northwestern Railway Co., successor in interest of the Copper River Railway Co., and its successors and assigns, from a point beginning at the said wharf or dock constructed by the Copper River Railway Co. at Cordova on the east shore of Orca Inlet, or Cordova Bay, Alaska, at station 11, 88.8, section 1, to station 54, 84.4, section 2, on the south shore of Odiak Bay, as shown on the map of definite location of the Copper River Railway Co., so approved by the Secretary of the Interior on October 29, 1907, and also over the tide lands of the United States lying between mile 20 and mile 45.21, as shown on said Copper River Railway Co.'s map of amended definite location, filed in the Juneau land office December 12, 1908: *Provided*, That nothing herein contained shall be held to extend to other than the public waters and lands of the United States, nor shall any private rights to lands and appurtenances thereto that may lawfully exist under the public land or mineral laws of the United States applicable to the District of Alaska be affected hereby.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

JUNE 24, 1910.

Hon. C. D. CLARK, United States Senator.

MY DEAR SENATOR: I most respectfully call your attention to Senate bill 8797, introduced by you on June 21 by request and referred to the Committee on Territories; it seems to have been immediately reported out of the committee and is now on the calendar for passage. I called to see you about this bill, but was unable to find you either in your office or in the Senate, and I take the liberty of making my objection in writing for that reason.

There are three objections to this bill:

(1) A number of other property rights are involved in this way—the Copper River Railroad built along the tide lands beyond Cordova and erected their piling and road thereon and at the outer end erected and maintained a long wharf for the purpose of reaching deep water. For a half a mile or more these structures are immediately in front of property claimed by other people, whose ingress and egress are thus effectually barred between their land and the sea. At Three Tree Point one Jack Dalton has several mining claims (quartz) which rise abruptly from the water to a height of several hundred feet and occupy many acres. Dalton lives on the point, and the railroad company built their docks and other structures around his house so as effectually to cut him off from the bay. He was there long before they came and his rights are prior to their possession. The courts of Alaska generally have recognized the right of a shore-land owner to reach the navigable water fronting on his land and have sustained the right of the owner to ingress and egress. There is litigation now pending between Dalton and the railroad in respect to this and other rights involved, and it is proposed by this bill to cut off Dalton's rights and bar his recovery. He is unaware of this effort, but I make the objection for him.

(2) My second objection is that this bill is so drawn as to give generally to the Suggenheim road the right of possession and ownership in so much of the tide lands as they may choose to take and occupy at this gateway to Alaska. There are but three gateways to the interior of Alaska; the Copper River is the central one, and if this bill should pass this railroad would have a complete monopoly of the approach of the interior of Alaska to the sea. It is the same as if one railroad owned all the water front of New York, Chicago, San Francisco, or Seattle. If this bill should pass this one railroad could prevent, and it has demonstrated that it would prevent, any other railroad coming through the Copper River gateway from reaching the navigable waters of the Pacific Ocean. It would enable them to take entire charge and control of the water front, the tide lands in front of the only harbor at the outlet of the Copper River gateway, and to prevent any other railroad from occupying it, and thereafter to control it as its own personal property and charge such rates of wharfage, etc., as it pleased. A monopoly of the great seaport from which the interior of Alaska will send and receive its trade will be a handicap to the growth of Alaska and a right never before given by Congress to any corporation. The Northern Pacific never had any such exclusive claims to the tide lands on Puget Sound, and the State of Washington now owns and maintains a strip in front of all the docks free in perpetuity to the people of the State, and controls the rates of wharfage.

(3) My third objection to the bill is that it is wholly unnecessary. First, The Copper River Railroad has built its approaches and wharves and is in possession, and probably can not be interfered with in any respect. That possession can never ripen into a title, but is equally good for their use. Second, The second section of the act of May 14, 1898 (30 Stat. L., 409), "An act extending the homestead laws and providing for right of way for railroads in the District of Alaska, and for other purposes," has already granted a right of way to railroads, and this Cordova road was built under this law. The law is general, gives terminal rights and station grounds, right of way, and material, stone, and timber for construction purposes; and the second section provides: "And when such railway shall connect with any navigable stream or tide water, such company shall have power to construct and maintain necessary piers and wharves for connection with water transportation subject to the supervision of the Secretary of the Treasury: *Provided*, That nothing in this act contained shall be construed as impairing in any degree the title of any State that may be hereafter erected out of said district, or any part thereof, to tide lands and beds of any of its navigable waters, or the right of such State to regulate the use thereof, nor the right of the United States to resume possession of such lands, it being declared that all such rights shall continue to be held by the United States in trust for the people of any State or States which may hereafter be erected out of said district."

The present law, quoted above, gives the Copper River Railroad the right to construct the necessary piers and wharves, which it did under that law. However, the law makes their wharves and piers "subject to the supervision of the Secretary of the Treasury," which I judge to mean that it gives the Secretary of the Treasury supervision not only in respect to location, but possibly in respect to maintenance, etc. Certainly, the present law gives no title to the company; but by the bill which is now introduced the Secretary of the Treasury will have no supervision, while the railroad company would have an exclusive and an unlimited right to take the whole of the tide lands in front of this great harbor, and would thereby acquire a title as against the future State.

I respectfully protest that the present law in the act of 1898, above quoted, is sufficient to give the railroad all it needs, and yet it protects the future State and the trust which the Government has assumed in respect thereto. If this bill should pass, it would stand alone in the history of congressional legislation, since it has been the universal policy of our Government to hold the tide lands in trust for the State, as suggested in the act of 1898. It would give the entire monopoly of one great gateway to Alaska to a single corporation. The law is unnecessary, since they are already in possession of their right of way and wharves, in which they will be protected.

As the Delegate and representative of the people of Alaska I beg you to withdraw your support from this bill and refuse to give the trust lands over for the use of a monopoly which does not need them.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

[S. 9163, 61st Cong., 3d sess.]

A bill to authorize the Copper River & Northwestern Railway Co. to maintain and operate a wharf in Orca Inlet, in the District of Alaska, and for other purposes.

Be it enacted, etc., that the Copper River & Northwestern Railway Co., a corporation organized and existing under the laws of the State of Nevada, successor in interest of the Copper River Railway Co., be, and is hereby, authorized to maintain, use, and operate for railroad and all other necessary and proper purposes the wharf in Orca Inlet, or Cordova Bay, in the District of Alaska, and the railway and roadway approaches thereto from the mainland, constructed at Three Tree Point by the said Copper River Railway Co. at the terminus of its line, as shown on its map of definite location, which was approved by the Secretary of the Interior on October 29, 1907; and a right of way on, through, and over the tide and shore lands of the United States, in the District of Alaska, to the extent of 100 feet on each side of the center line of its road as constructed, is hereby granted and confirmed to the said Copper River & Northwestern Railway Co., successor in interest of the Copper River Railway Co., and its successors and assigns, from a point beginning at the said wharf or dock so constructed by the Copper River Railway Co. at Cordova on the east shore of Orca Inlet, or Cordova Bay, Alaska, to a point designated as Mile Twenty-five on the map of amended definite location of the Copper River Railway filed in the Juneau land office December 12, 1908: *Provided*, That nothing herein contained shall be held to affect other than the public waters and lands of the United States, nor shall any private rights to lands and appurtenances thereto that may lawfully exist under the public-land or mineral laws of the United States applicable to the District of Alaska be affected hereby.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

HOUSE OF REPRESENTATIVES,
Washington, D. C., December 19, 1910.

Hon. WILLIAM P. FRYE,

Chairman Committee on Commerce, United States Senate.

SIR: I respectfully call your attention to Senate bill 9163, introduced December 8, 1910, by Senator CLARK of Wyoming, by request, and referred to the Committee on Commerce.

Upon inquiry, I find that the bill has been referred to the War Department, which has already made a favorable report thereon; that it has also been referred to the Interior Department, and that a report from that department will be filed with your committee to-morrow.

This bill is a redraft of Senate bill 8789, introduced by Senator CLARK, by request, on June 21 last, and referred to the Committee on Territories.

As Delegate from the Territory of Alaska, I wish to present some objections to the passage of the bill and to suggest to your committee certain facts which are not of record, so that you may fairly have the whole situation before you.

1. While the bill purports, upon its face, to protect other private rights, yet I am persuaded that its effect will be to take away from the citizens of Alaska, who have no knowledge of its introduction, rights which are now in process of litigation in the United States district court in Alaska and in the Land Office and Interior Department. The bill not only gives to the Copper River Railway Co. authority to maintain, use, and operate for railroad and all other necessary and proper purposes the wharf mentioned therein and the railway and roadway approaches thereto from the main line, but it grants

to the said railway 100 feet on each side of the center line of the same, from a point beginning at the said wharf to Mile 25 on their line of road. This is a congressional grant of "tide" and shore lands of the United States for 200 feet in width for 25 miles. An examination of the maps mentioned in the act will show that it is a grant of tide and shore lands in front of the town of Cordova and for a mile beyond. Their railroad is built along the tide line, above high tide, and between the shore lands and tide lands of the United States. Over a portion of this distance the railroad is built on piles, and at the northern and farther end they have erected and maintained a long wharf on piles for the purpose of reaching deep water. Parallel to the railroad they have built a wagon road from the wharf back to the shore lands and thence by roadway into the town of Cordova. For more than half a mile these structures—the railway and the wagon road—are immediately in front of property claimed by other people, whose ingress and egress between their land and the sea is thus cut off. At Three Tree Point there are several quartz claims, located by parties whose lands rise abruptly from the water several hundred feet, and occupy many acres. Jack Dalton lives on the point and the railway company built its docks, wharves, and other structures around his house so as to effectually cut him off from the bay. He claims prior rights to them, and the matter is in litigation in the district court for Alaska. On October 25, 1909, the litigation in the court was continued by an order entered that day, "for the reason that the issues of said action are now pending before the Land Department of the Interior Department of the United States of America until a decision is first had in the Land Department on the appeal of the Katalla Co. in the case of *Al Low v. The Katalla Co.* in the United States Land Department." That case involves the very rights which it is now proposed by this bill to give to the Copper River Railway, which is there litigating as Katalla Co.

2. The second objection to this bill is that it grants and confirms unto the Copper River Railway a strip of tide and shore land 200 feet in width along the entire water front of the town of Cordova and between the upland and the tidelands. There are but three gateways to the interior of Alaska, and Cordova is one of them. It is the central gateway and the outlet of the great Copper River coal and copper fields. If this bill should pass, it would convey, grant, and confirm a complete ownership and monopoly of approach between the gateway and the ocean. It is the same as if one railroad owned all the water front of New York, Chicago, San Francisco, or Seattle. If this bill should pass, this railway could and would prevent any other railroad or any other enterprise of any other kind or the people of the United States or the Territory of Alaska from reaching the navigable waters of the Pacific Ocean from the interior of Alaska, except on such terms as it should dictate. It would give them entire charge, control, and the ownership of the water front and the tidelands in front of the only harbor through which the Copper River and the interior country comes and the coal from the Katalla and Bering River coal fields. Without any restriction whatever they could thereafter forever charge such rates of wharfage as they pleased. Such a monopoly of a great seaport, through which the great interior of Alaska must trade, will be a handicap to the growth of the Territory and a right never before given by Congress to any person or corporation. No one of the great transcontinental railroads of our country has ever had any such right, and the States of California, Oregon, and Washington own and control a harbor area for the express purpose of preventing just this sort of a monopoly.

3. The bill is not necessary. The Copper River Railway has already built its line and its wharves and they are in constant actual operation; the road is in possession, and excepting the prior rights which are now in litigation in the proper courts, their possession can not be interfered with. It is true that possession can never ripen into a title in fee, such as is attempted to be conveyed by this grant, but that possession is sufficient for all the purposes of maintaining and operating their railroads, though not for excluding all other interests and giving them a monopoly. The second section of the act of May 14, 1898 (30 Stat. L., 409), "An act extending the homestead laws and providing for right of way for railroads in the District of Alaska, and for other purposes," has already granted a right of way for railroads in Alaska, and the Copper River Railway was built under that law. This law is a general law, but gives terminal rights and station grounds, a right of way, and material, stone, and timber for construction purposes, and the second section thereof provides: "And when such a railway shall connect with any navigable stream or tidewater, such company shall have power to construct and maintain necessary piers and wharves for connection with water transportation, subject to the supervision of the Secretary of the Treasury: *Provided*, That nothing in this act contained shall be construed as impairing in any degree the title of any State that may be hereafter erected out of said District or any part thereof, to tide lands and beds of any of its navigable waters, or the right of such State to regulate the use thereof, nor the right of the United States to resume possession of such lands, it being declared that all such rights shall continue to be held by the United States in trust for the people of any State which may be hereafter erected out of said District." I call your attention to the fact that the law just quoted provides that the Secretary of the Treasury shall have supervision over piers and wharves for connecting with water transportation, but that the present bill reserves no such right. The quotation also provides that the title of any future State which may be erected in Alaska shall not have its rights impaired by the fact that the railroad has wharves and docks, and even its track upon the tidelands, while the present bill grants and confirms to the railroad the very title to the tidelands, and thus takes them out of the power of the State or of any local legislature hereafter to control. In other words, the present bill conveys to the railroad company not only the title but the right to the control of the trade and traffic which shall go across the land. The United States abandons the right which it has always heretofore held and gives a complete title and monopoly to the railroad over the water front of this great harbor through which the coal and other products of the interior of Alaska must come and its domestic trade must go.

4. The bill also provides that the railroad company shall have title in fee simple over the tide and shore lands from the end of the wharf at Three Tree Point to Mile 25 on its main line at a point of 25 miles from Cordova. Now, this railroad is nearly 200 miles long and it is an interesting inquiry: Why do they stop at Mile 25? The answer is not hard to find.

Section 3 of the act of May 14, 1898, quoted above, provides:

"Sec. 3. That any railroad company whose right of way or whose track or roadbed upon such right of way, passes through any canyon, pass, or defile shall not prevent any other railroad company from the use and occupancy of such canyon, pass, or defile for the purposes of

such road in common with the road first located, or the crossing of other roads at grade; and the location of such right of way through any canyon, pass, or defile shall not cause the disuse of any tramway, wagon roads, or other public highway now located therein, nor prevent the location through the same of any such tramway, wagon, road, or highway as may be necessary for the public accommodation; etc.

This section also provides for an equitable arrangement where two or more roads pass through the same canyon, pass, or defile. The proposed bill will nullify the old law relating to the canyon, pass, or defile rights of subsequent railroad builders, and will give the Copper River Railway the title in fee to 200 feet in width through the canyon between the wharf and Mile 25 mentioned in the act. An inspection of the map of definite location of the Copper River Railway, in the office of the Department of the Interior, discloses that for several miles the proposed right of way is in the canyon with precipitous walls several hundred feet in height, and the grant of the entire fee by the Government of the United States to the Copper River Railway without reservation gives them an exclusive monopoly of entrance to the harbor of Cordova. No other railroad can reach that harbor except over that 200 feet. The Government now proposes to abandon its rights therein and convey them to the Copper River Railway, and thus forever put it into the power of that single corporation to exclude other railroads from this harbor.

5. The Cunningham group and the great Katalla coal field lies just east of the Copper River, and just east of the mile 25 mentioned in this bill. It has been demonstrated by most careful examination by railroad experts that there is no other possible harbor along that coast from which the coal from this great field can be transported. The Cordova Harbor is the only one whereby the Government or any other corporation or private person can get those great fields of anthracite and other high-grade naval coal from the Government lands to the ocean. All of that coal must come over the route now occupied by the Copper River Railway between mile 25 and Three Tree Point. This bill now gives, grants, and confirms to the Copper River Railway forever the private ownership and title in fee simple of the only route over which that coal can be hauled. If this bill shall pass, it will put it in the power of that corporation to haul that coal upon its own terms or to prevent its being hauled at all. There is no other harbor; there is no other right of way except that which they now ask the Government to give them. That right once reduced to a vested interest will make the Guggenheims masters of the coal fields of Alaska. This bill proposes to give them a right which will enable them to control the transportation and the price of the Government's coal whether they shall own that coal or not. The last railway bill passed by Congress cut out that provision which was supposed to extend the interstate commerce laws to Alaska, and until that act is extended to Alaska there would be no limitation upon the rate to be charged.

For the reason, then, that there is no necessity for this bill except to give a monopoly to one great corporation and to enable it to take private rights which are in litigation, and to prevent other railroads reaching the open harbor with the Katalla coal, I most earnestly protest against the passage of this bill.

I respectfully request that I be given an opportunity to appear before the Committee on Commerce and to present an argument, a record, and the maps in support of my objection.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

EXHIBIT H.

[H. R. 30796, 61st Cong., 3d sess.]

A bill to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the Territory of Alaska, and for other purposes.

Be it enacted, etc., That the Controller Railway & Navigation Co., a corporation organized and existing under the laws of the State of New Jersey, its successors and assigns, be, and they are hereby, authorized and empowered to construct, maintain, and operate two bridges across the Bering River, in the Territory of Alaska, to be located as follows: The upper bridge to cross the said Bering River at a point near the mouth of Stillwater Creek and the lower bridge to cross the Bering River at a point about 4 miles above Bering Lake, such bridges to be approved by the Secretary of War, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That to extend, construct, erect, maintain, use, and operate its railway, and the approaches thereto, from the terminus of its line on the north shore of Controller Bay, as shown on its map of definite location, on and over the tide lands and navigable waters of Alaska in said Controller Bay to the main channel, and to construct, build, erect, maintain, use, and operate at the end of such approaches upon said main channel wharves, docks, slips, waterways, coal and oil bunkers as may be deemed most feasible or practicable, to be approved by the Secretary of War in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and a right of way on, through, and over the tide and shore lands of the United States, 200 feet in width, to connect its railway with the navigable waters in said Controller Bay, under the terms and subject to all the provisions of section 3 of the act of Congress approved May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes."

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

[S. 9864, 61st Cong., 3d sess.]

A bill to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the Territory of Alaska, and for other purposes.

Be it enacted, etc., That the Controller Railway & Navigation Co., a corporation organized and existing under the laws of the State of New Jersey, its successors and assigns, be, and they are hereby, authorized and empowered to construct, maintain, and operate two bridges across the Bering River, in the Territory of Alaska, to be located as follows: The upper bridge to cross the said Bering River at a point near the mouth of Stillwater Creek and the lower bridge to cross the Bering River at a point about four miles above Bering Lake, such bridges to be approved by the Secretary of War, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That to extend, construct, erect, maintain, use, and operate its railway, and the approaches thereto, from the terminus of its line on the north shore of Controller Bay, as shown on its map of definite location, on and over the tide lands and navigable waters of Alaska in said Controller Bay to the main channel, and to construct, build, erect, maintain, use, and operate at the end of such approaches, upon said main channel, wharves, docks, slips, waterways, and coal and oil bunkers as may be deemed most feasible or practicable, to be approved by the Secretary of War in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and a right of way on, through, and over the tide and shore lands of the United States, 200 feet in width, to connect its railway with the navigable waters in said Controller Bay, under the terms and subject to all the provisions of section 3 of the act of Congress approved May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes."

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

[S. Rept. No. 1103, 61st Cong. 3d sess.]

BRIDGES ACROSS BERING RIVER, ALASKA.

Mr. Files, from the Committee on Commerce, submitted the following report (to accompany S. 9864):

The Committee on Commerce, to whom was referred the bill (S. 9864) to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the Territory of Alaska, and for other purposes, having considered the same, report it with amendments, and as amended recommend its passage.

The bill thus amended has the approval of the War and Interior Departments, as will appear by the annexed letters, the amendments referred to therein having been incorporated in the bill as reported.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, January 19, 1911.

SIR: (1) I have the honor to return herewith a letter, dated the 10th instant, from the Senate Committee on Commerce inclosing the views of the War Department thereon S. 9864 (61st Cong., 3d sess.), "A bill to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the Territory of Alaska."

(2) This bill proposes to confer upon the corporation named therein four privileges, to wit, (a) to construct and maintain two bridges across Bering River, in the Territory of Alaska; (b) to construct, maintain, and operate docks, wharves, slips, and other structures at the terminus of the railroad on the main channel of Controller Bay; (c) to extend, construct, and operate its railway, and the approaches thereto, from the terminus of the line on the north shore of Controller Bay, on and over the tidelands and navigable waters of Alaska, in said Controller Bay, to the main channel thereof; (d) a right of way on, through, and over the tide and shore lands of the United States, 200 feet in width, to connect its railway with the navigable waters in said Controller Bay.

(3) The first proposition is embraced in section 1 of the bill, which is worded in the usual form and makes ample provision, in my opinion, for the protection of any existing or prospective navigation on the waterway to be bridged. With a slight amendment, indicated in red, I see no objection to the favorable consideration by Congress of the said section 1.

(4) The second proposition is carried in section 2 of the bill, lines 8 to 15 of page 2. To this there seems to be no special objection, although the necessity for its enactment is not apparent. Under the provisions of section 10 of the river and harbor act of March 3, 1899, wharves, docks, and other terminal structures may be constructed in navigable waters with the consent of the Chief of Engineers and the Secretary of War. Moreover, section 2 of the act of May 14, 1898, entitled "An act extending the homestead laws and providing the right of way for railroads in the Territory of Alaska" (30 Stat. L., 409), provides that when any railway coming within the purview of that section "shall connect with any navigable stream or tidewater such company shall have power to construct and maintain necessary piers and wharves for connection with water transportation, subject to the supervision of the Secretary of the Treasury." And section 10 of the same act provides that the Secretary of the Interior may grant to any citizen or lawfully organized corporation the use of certain lands of the United States abutting on navigable streams in Alaska for landings and wharves. The proposition under discussion seemingly constitutes an exception to these general laws on the subject, and while the reason for making such an exception is not obvious, I do not see that any harm to the public interests would result therefrom. I therefore make no objection to the favorable consideration by Congress of the portion of the bill authorizing the construction of docks and other terminal structures if the provision covering such authorization be amended as indicated in red.

(5) It is thought that the remaining provisions of the bill, herein designated as propositions 3 and 4, do not come within the jurisdiction of the War Department. Possibly they pertain to the Department of the Interior, and assuming that the views of that, or the proper department, will be obtained by the committee, I express no opinion regarding them, except to say that I am aware of no objection to them so far as the interests committed to the charge of the War Department are concerned.

Very respectfully,
The SECRETARY OF WAR.

W. H. RIXBY,
Chief of Engineers, United States Army.

DEPARTMENT OF THE INTERIOR,
Washington, February 4, 1911.

SIR: I have received, by reference from your committee, with a request for such suggestions as may be deemed proper touching the merits of the same, a copy of Senate bill 9864 (61st Cong., 3d sess.), to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the Territory of Alaska, and for other purposes.

This bill authorizes the company named in the title to construct, maintain, and operate two bridges across the Bering River, one at a point near the mouth of Stillwater Creek and the other, the lower bridge, at a point about 4 miles above Bering Lake, such bridges to be approved by the Secretary of War in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

The bill further authorizes the company to construct, erect, maintain, and operate its railway and the approaches thereto from the terminus

of its line on the north shore of Controller Bay, as shown on its map of definite location, on and over the tidelands and navigable waters of Alaska, in said Controller Bay, to the main channel, and "to construct, build, erect, maintain, use, and operate at the end of such approaches, upon said main channel, wharves, docks, slips, waterways, coal and oil bunkers, as may be deemed most feasible or practicable, to be approved by the Secretary of War in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters,' approved March 23, 1906, and a right of way on, through, and over the tide and shore lands of the United States 200 feet in width to connect its railway with the navigable waters in said Controller Bay, under the terms and subject to all the provisions of section 3 of the act of Congress approved May 14, 1898, entitled 'An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes.'"

It is possible that the language of the act of May 14, 1898 (30 Stat., 409), is sufficiently broad to authorize a railroad company in Alaska seeking water connection to construct piers, docks, and wharves and the necessary approaches thereto across tidal lands and lands in fact covered by navigable waters; otherwise the language of the act which authorizes the connection with water transportation would be practically nullified. However, it is possible that the act of 1898 does not provide for a case exactly similar to the one under consideration, in which event, of course, further congressional action is desirable from the company's standpoint.

It will be observed that there are no words of grant in the proposed law. It merely authorizes the company to construct, build, erect, maintain, use, and operate a right of way on, etc., and if it is intended by the bill to make an absolute grant of a right of way the language employed may be ineffective for that purpose.

In the event it be deemed advisable to grant a right of way across tide lands from the present terminus of the company's road on the mainland to a point some 2 or 3 miles distant, where deep water may be reached, it is suggested that the grant be limited to the lands actually necessary for maintenance of a dock or pier from the terminus of the road on the mainland to deep water, not to exceed 100 feet on each side of the center line of such dock or pier, and that such grant be declared to be subject to all the terms, limitations, and conditions of the act of May 14, 1898, including full power and authority on the part of the proper officials of the Government to accord wharfage and other privileges in front of the reserved area, as provided for in said act, and subject also to the right of any other company to make joint use of such dock or pier, where necessary, upon like terms to those imposed by section 3 of the act of 1908, granting the use of a right of way through a canyon, pass, or defile.

I am informed by the Commissioner of the General Land Office that on December 14, 1910, the company filed in the local office at Juneau a map of definite location showing the terminus on Controller Bay and 24.847 miles of road which, with other maps of definite location, has been received in the General Land Office, but has not been examined with a view to its approval.

This department has no objections to offer to the enactment of the bill as it now stands, because it seems to merely authorize the company to use necessary tide lands for the building of a dock or pier to deep water which is already authorized by existing legislation. Neither has the department any objections to offer to the enactment of an amended bill specifically granting a right of way, if the conditions above suggested are imposed.

In conclusion I would respectfully refer to my report of January 4, 1911, addressed to the chairman of the Senate Committee on Territories, on Senate bill No. 8797, for the relief of the Copper River & Northwestern Railway Co., relating to a somewhat similar situation.

Very respectfully,

R. A. BALLINGER, Secretary.

Hon. WILLIAM P. FRYE,

Chairman Committee on Commerce, United States Senate.

[S. 9864, 61st Cong., 3d sess., Rept. No. 1103.]

A bill to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the Territory of Alaska, and for other purposes.

Be it enacted, etc., That the Controller Railway & Navigation Co., a corporation organized and existing under the laws of the State of New Jersey, its successors and assigns be, and they are hereby, authorized and empowered to construct, maintain, and operate two bridges across the Bering River, in the Territory of Alaska, to be located as follows: The upper bridge to cross the said Bering River at a point near the mouth of Stillwater Creek and the lower bridge to cross the Bering River at a point about 4 miles above Bering Lake [such bridges to be approved by the Secretary of War], in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the said company, its successors and assigns, are hereby authorized and empowered to extend, construct, erect, maintain, use, and operate its railway, and the approaches thereto, from the terminus of its line on the north shore of Controller Bay, as shown on its map of definite location, on and over the tidelands and navigable waters of Alaska in said Controller Bay to the main channel [and].

Sec. 3. That said company, its successors and assigns, is also authorized and empowered to construct, build, erect, maintain, use, and operate, at the end of such approaches, upon said main channel, such wharves, docks, slips, waterways, and coal and oil bunkers as may be deemed most feasible or practicable, [to be approved by the Secretary of War] provided the plans for such structures are recommended by the Chief of Engineers and approved by the Secretary of War, in accordance with the provisions of [the act entitled "An act to regulate the construction of bridges over navigable waters,"] section 10 of the river and harbor act, approved March [23, 1906] 3, 1899 [and a right of way on, through, and over the tide and shore lands of the United States, 200 feet in width, to connect its railway with the navigable waters in said Controller Bay, under the terms and subject to all the provisions of section 3 of the act of Congress approved May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes"]].

Sec. 4. That the said Controller Railway & Navigation Co., its successors and assigns are hereby granted a right of way on, through, and over the tide and shore lands of the United States actually necessary to connect its railway with the navigable waters in said Controller Bay by the construction and maintenance of a dock or pier from the terminus of the road on the mainland to deep water, said right of way not to exceed 100 feet on each side of the center line of such dock or pier: Provided, however, That such grant shall be subject to all the terms,

limitations, and conditions of the act of May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes," including full power and authority on the part of the Secretary of the Interior to accord wharfage and other privileges in front of the reserved area, as provided for in said act, also to the right of any other railroad company to make joint use of such dock or pier, where necessary, upon like terms to those imposed by section 3 of said act of May 14, 1898, granting the use of a right of way through a canyon, pass, or defile.

Sec. [3]5. That the right to alter, amend, or repeal this act is hereby expressly reserved.

[H. R. 32842, 61st Cong., 3d sess.]

A bill to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the District of Alaska, and for other purposes.

Be it enacted, etc., That the Controller Railway & Navigation Co., a corporation organized and existing under the laws of the State of New Jersey, its successors and assigns, be, and they are hereby, authorized and empowered to construct, maintain, and operate, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, two bridges across the Bering River, in the District of Alaska, to be located as follows: The upper bridge to cross the said Bering River at a point near the mouth of Stillwater Creek and the lower bridge to cross the Bering River at a point about 4 miles above Bering Lake; also to extend its line of railway from the terminus of its line on the north shore of Controller Bay, as shown on its map of definite location filed in the Land Department December 14, 1910, on and over the tide lands and navigable waters of Alaska in said Controller Bay to the main channel, and to construct, build, erect, maintain, use, and operate at the end of such line of railway, when so extended upon said main channel, under rules and regulations to be prescribed by the Secretary of War, necessary wharves, docks, slips, waterways, and coal and oil bunkers, provided that the extent of and the plans for such structures are recommended by the Chief of Engineers and approved by the Secretary of War in accordance with the provisions of section 10 of the river and harbor act approved March 3, 1899.

Sec. 2. That the said Controller Railway & Navigation Co., its successors and assigns, are hereby authorized to use, in the construction and maintenance of said extension of said line of railway, a right of way on, through, and over the tide and shore lands of the United States actually necessary to connect its railway with the navigable waters in said Controller Bay, not to exceed 100 feet on each side of the center line of such extension of said line of railway: *Provided*, That the easement hereby authorized may be exclusively exercised so long as said railway is maintained and operated for railroad purposes, but that nothing in this act contained shall be construed as impairing the right of the United States, or of any State that may hereafter be erected out of this District, to regulate the use of said right of way and the pier or dock herein authorized to be constructed, nor the right of the United States or of any such State to fix reasonable charges for the use of any pier, dock, or wharf constructed or maintained hereunder, nor shall it in anywise interfere with the authority on the part of the Secretary of the Interior to accord wharfage and other privileges in front of reserved areas, as provided in the act of May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes."

Sec. 3. That the title to all lands occupied under this act shall remain in the United States, subject to the use hereby authorized, and the right to alter, amend, or repeal this act is hereby expressly reserved.

[H. Rept. No. 2257, 61st Cong., 3d sess.]

BRIDGES ACROSS BERING RIVER, ALASKA.

Mr. STAFFORD, from the Committee on Interstate and Foreign Commerce, submitted the following report (to accompany H. R. 32842):

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 32842) to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the District of Alaska, and for other purposes, having considered the same, report thereon with a recommendation that it pass.

The bill has the approval of the War and Interior Departments, as will appear by the letters attached and which are made a part of this report.

The bill authorizes, first, the construction of bridges over Bering River conformable to the general bridge act, and which authorization has the approval of the War Department, and also authorizes the construction and maintenance of approaches over a right of way over the tide lands to connect the railroad on the mainland with deep water.

This company has heretofore filed its definite location under the act of May 14, 1898, which is the general law authorizing the building of railroads in Alaska. There is some question under that law, which this bill seeks to overcome, as to authority for a right of way over the tide lands.

It appears from the hearings and also from the letters of the department hereto annexed that there are mud flats of a distance of 2 or 3 miles between the mainland and deep water. This bill authorizes a right of way over these mud flats or tidal lands not to exceed 100 feet on each side of the center line of such extension. In addition thereto authority is granted to construct piers and docks subject to and in conformance with the conditions of the general railroad law above referred to, which safeguards the interests of the public as to the control of the piers and docks.

This bill specifically excepts granting any title to the lands covered by this extension and reserves to the United States or to any future State organized in Alaska to fix reasonable charges for the use of the docks and wharves, as well as limiting the easement only so long as the railway is operated for railroad purposes.

DEPARTMENT OF THE INTERIOR,

Washington, February 20, 1911.

SIR: I have received your letter of February 20, 1911, inclosing a copy of H. R. 32842, Sixty-first Congress, third session, to authorize the Controller Railway & Navigation Co. to construct a bridge across the Bering River, in the District of Alaska, and for other purposes, and requesting the views of the department thereon, so that the matter may be called to the attention of the committee on Tuesday morning next.

In reply, I have the honor to invite your attention to my report addressed to you February 4, 1911, on a similar measure, H. R. 30796. The new bill has been examined, and the department has no objections to offer to its passage.

Very respectfully,

R. A. BALLINGER,
Secretary.

HON. JAMES R. MANN,
Chairman Committee on Interstate and Foreign Commerce,
House of Representatives.

DEPARTMENT OF THE INTERIOR,
Washington, February 4, 1911.

SIR: I have received your letter of January 21, 1911, requesting the views of the department concerning H. R. 30796, to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the Territory of Alaska, and for other purposes.

This bill authorizes the company named in the title to construct, maintain, and operate two bridges across the Bering River: One at a point near the mouth of Stillwater Creek and the other, the lower bridge, at a point about 4 miles above Bering Lake, such bridges to be approved by the Secretary of War in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

The bill further authorizes the company to construct, erect, maintain, and operate its railway and the approaches thereto from the terminus of its line on the north shore of Controller Bay, as shown on its map of definite location, on and over the tide lands and navigable waters of Alaska in said Controller Bay to the main channel, and "to construct, build, erect, maintain, use, and operate at the end of such approaches upon said main channel, wharves, docks, slips, waterways, coal and oil bunkers as may be deemed most feasible or practicable, to be approved by the Secretary of War, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and a right of way on, through, and over the tide and shore lands of the United States two hundred feet in width to connect its railway with the navigable waters in said Controller Bay, under the terms and subject to all the provisions of section 3 of the act of Congress approved May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes."

It is possible that the language of the act of May 14, 1898 (30 Stat., 409), is sufficiently broad to authorize a railroad company in Alaska seeking water connection to construct piers, docks, and wharves, and the necessary approaches thereto, across tidal lands and lands in fact covered by navigable waters, otherwise the language of the act which authorizes the connection with water transportation would be practically nullified. However, it is possible that the act of 1898 does not provide for a case exactly similar to the one under consideration, in which event, of course, further congressional action is desirable from the company's standpoint.

It will be observed that there are no words of grant in the proposed law. It merely authorizes the company to construct, build, erect, maintain, use, and operate a right of way on, etc., and if it is intended by the bill to make an absolute grant of a right of way the language employed may be ineffective for that purpose.

In the event it be deemed advisable to grant a right of way across tide lands from the present terminus of the company's road on the mainland to a point some 2 or 3 miles distant, where deep water may be reached, it is suggested that the grant be limited to the lands actually necessary for maintenance of a dock or pier from the terminus of the road on the mainland to deep water, not to exceed 100 feet on each side of the center line of such dock or pier, and that such grant be declared to be subject to all the terms, limitations, and conditions of the act of May 14, 1898, including full power and authority on the part of the proper officials of the Government to accord wharfage and other privileges in front of the reserved area, as provided for in said act, and subject, also, to the right of any other company to make joint use of such dock or pier, where necessary, upon like terms to those imposed by section 3 of the act of 1898, granting the use of a right of way through a canyon, pass, or defile.

I am informed by the Commissioner of the General Land Office that on December 14, 1910, the company filed in the local office at Juneau a map of definite location, showing the terminus on Controller Bay and 24.847 miles of road, which, with other maps of definite location, has been received in the General Land Office, but has not been examined with a view to its approval.

This department has no objections to offer to the enactment of the bill as it now stands, because it seems to merely authorize the company to use necessary tide lands for the building of a dock or pier to deep water, which is already authorized by existing legislation. Neither has the department any objections to offer to the enactment of an amended bill specifically granting a right of way if the conditions above suggested are imposed.

In conclusion, I would respectfully refer to my report of January 4, 1911, addressed to the chairman of the Senate Committee on the Territories, on Senate bill No. 8797, for the relief of the Copper River & Northwestern Railway Co., relating to a somewhat similar situation.

Very respectfully,

R. A. BALLINGER, Secretary.

HON. JAMES R. MANN,
Chairman Committee on Interstate and Foreign Commerce,
House of Representatives.

[Second indorsement.]

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, February 21, 1911.

Respectfully returned to the Secretary of War.

The accompanying bill (H. R. 32842, 61st Cong., 3d sess.), to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the District of Alaska, is understood to be intended as a substitute for H. R. 30796, concerning which I had the honor to make report under date of the 19th ultimo, a copy of which is herewith. In that report I discussed the various propositions embraced in the measure, and recommended certain amendments to those which pertained to the War Department. The essential features of the two bills are practically the same, but the bill now under consideration (H. R. 32842) contains the amendments suggested by me as to the navigation features of H. R. 30796, Sixty-first Congress, third session, and some additional provisions relating to those features which come within the jurisdiction of another executive department.

So far as the interests committed to the charge of the War Department are concerned, I am aware of no objection to the favorable consideration by Congress of H. R. 32842 as a substitute for H. R. 30796.

W. H. BIXBY,
Chief of Engineers, United States Army.
[Third indorsement.]

WAR DEPARTMENT,
February 21, 1911.

Respectfully returned to the chairman Committee on Interstate and Foreign Commerce, House of Representatives, inviting attention to the foregoing report of the Chief of Engineers, United States Army, and accompanying inclosure referred to.

Report on H. R. 30796, referred to by the Chief of Engineers (copy herewith), was transmitted to Committee on Interstate and Foreign Commerce under date of 20th ultimo.

ROBERT SHAW OLIVER,
Acting Secretary of War.

[H. R. 32842, 61st Cong., 3d sess.]

An act to authorize the Controller Railway & Navigation Co. to construct two bridges across the Bering River, in the District of Alaska, and for other purposes.

Be it enacted, etc., That the Controller Railway & Navigation Co., a corporation organized and existing under the laws of the State of New Jersey, its successors and assigns, be, and they are hereby, authorized and empowered to construct, maintain, and operate, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, two bridges across the Bering River, in the District of Alaska, to be located as follows: The upper bridge to cross the said Bering River at a point near the mouth of Stillwater Creek, and the lower bridge to cross the Bering River at a point about 4 miles above Bering Lake; also to extend its line of railway from the terminus of its line on the north shore of Controller Bay, as shown on its map of definite location filed in the Land Department December 14, 1910, on and over the tide lands and navigable waters of Alaska in said Controller Bay to the main channel, and to construct, build, erect, maintain, use, and operate at the end of such line of railway, when so extended upon said main channel, under rules and regulations to be prescribed by the Secretary of War, necessary wharves, docks, slips, waterways, and coal and oil bunkers, provided that the extent of and the plans for such structures are recommended by the Chief of Engineers and approved by the Secretary of War, in accordance with the provisions of section 10 of the river and harbor act approved March 3, 1899.

Sec. 2. That the said Controller Railway & Navigation Co., its successors and assigns, are hereby authorized to use, in the construction and maintenance of said extension of said line of railway, a right of way on, through, and over the tide and shore lands of the United States actually necessary to connect its railway with the navigable waters in said Controller Bay, not to exceed 100 feet on each side of the center line of such extension of said line of railway: Provided, That the easement hereby authorized may be exclusively exercised so long as said railway is maintained and operated for railroad purposes, but that nothing in this act contained shall be construed as impairing the right of the United States, or of any State that may hereafter be erected out of this District, to regulate the use of said right of way and the pier or dock herein authorized to be constructed, nor the right of the United States or of any such State to fix reasonable charges for the use of any pier, dock, or wharf constructed or maintained hereunder, nor shall it in anywise interfere with the authority on the part of the Secretary of the Interior to accord wharfage and other privileges in front of reserved areas, as provided in the act of May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in Alaska, and for other purposes."

Sec. 3. That the title to all lands occupied under this act shall remain in the United States, subject to the use hereby authorized, and the right to alter, amend, or repeal this act is hereby expressly reserved.

Passed the House of Representatives March 2, 1911.

HON. WILLIAM H. STAFFORD,
House of Representatives.

FEBRUARY 14, 1911.

MY DEAR MR. STAFFORD: Herewith I send you a copy of Senate bill 9163, the purpose of which is to give a title in fee to the Copper River & Northwestern Railroad Co. over the tide and shore lands at Cordova Bay, Alaska. I also inclose a copy of a letter addressed to Hon. William P. Frye, chairman of the Senate Committee on Commerce, dated December 19, 1910, in opposition to the bill.

While this bill and this letter do not apply to the identical situation before your committee, they do apply in so far as the bill before you purports to grant a fee in the tidelands of the Controller Harbor. I am most earnestly opposed to the Congress granting away the ownership of the harbor lines in Alaska. Not one instance can be found where it has ever been done on the Pacific coast. The bill before you asks for just that exclusive ownership, and to that extent I am opposed to the bill. Before this bill is favorably reported, I respectfully request that I be given an opportunity to appear before the committee and make a brief statement.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

HOUSE OF REPRESENTATIVES,
Washington, D. C., December 20, 1910.

THE SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: Herewith I inclose for your information a copy of a letter which I have just addressed to Hon. William P. Frye, chairman Committee on Commerce, United States Senate, stating my objections to the passage of Senate bill 9163, introduced December 8, 1910, by Senator CLARK of Wyoming, by request, and referred to the Committee on Commerce.

I respectfully call to your attention the several objections which I have made to this bill, because I am informed that the bill has been referred to you for a report. If my interpretation of the bill is a reasonably correct one, it will give to the beneficiary therein mentioned a complete monopoly of the Copper River country trade, as well as a complete monopoly in transportation of the Government coal fields in

the Katalla coal district. The bill ought to be defeated, and an unfavorable report from you will undoubtedly have that effect.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

EXHIBIT I.

HOUSE OF REPRESENTATIVES,
Washington, January 20, 1910.

Hon. J. M. DICKINSON,
Secretary of War, Washington, D. C.

SIR: On March 20 last the President approved an order issued by the Secretary that:

"Under the administration of Secretary Ballinger of the affairs relating to Territories the Territorial officers will be expected to devote their time exclusively to the duties of their respective offices, and leaves of absence to enable such officers to visit Washington will not be approved by the Secretary, except in cases of emergency, the reasons for which must be satisfactory to the department."

Much irritation had formerly arisen between the Delegate and the governor of Alaska, who was then in Washington, where he had spent his previous winters, interfering with legislation which the Delegate was endeavoring to secure for the Territory. The governor was sent home, and it was promised that no more interference of that kind would be allowed.

Now, however, the order of the President is violated in a highly more harmful degree by another Territorial officer from Alaska, but one connected with the War Department. Maj. W. P. Richardson is the chairman of the Alaska Road Commission, especially assigned from the Regular Army for that work. He has spent his winters for some years in Washington, without occasioning remark, gently lobbying for his special work in Alaska, but this winter he has arrogated to himself the duty of controlling general legislation for Alaska in a way which I decidedly resent.

Herewith I hand you a letterpress copy (letterpress pp. 985-987) of a bill for the creation of the "Alaska Railway Commission," which Maj. Richardson gave me some 10 days ago. He knew that I favored some form of Government aid for railroads in Alaska. I did not examine it for some days, but when I did I was astonished to find in it a scheme to perpetuate Maj. Richardson and his Alaska road commission. But my surprise was even greater when I found in it a clause in section 20 (letterpress p. 996) providing:

"* * * Further, That any corporation having a contract to construct a line of railway under the provisions of this act, to or through any coal field, may select and (purchase) lease from the Government, at the rate of \$10 per acre, 5,000 acres of any coal lands in said fields that are not already legally held by bona fide locators, the product thereof to be used in operating its railway and for sale to the public."

In view of the fact that there might be as many contracts let as the commission might approve, and that the valuable Cunningham and other groups of coal lands might be abandoned as illegal and taken under this bill by the Guggenheims and other roads, it seemed to me to open the door to despoiling the Government and enriching the Guggenheims and their allies. Maj. Richardson desired me to introduce this bill and gave it to me for that purpose, informing me that he was permitted to remain in Washington by the President for such purpose.

I would not have protested against even this extraordinary effort of Maj. Richardson but for his subsequent action in collaborating in and lobbying for the Beveridge bill for the creation of a military legislature in Alaska. This proposed legislation is so outrageous in its un-American principles and so opposed to the best interests of the people of Alaska and to their expressed wishes that my sense of duty to them will no longer permit me to remain silent.

I hand you herewith a copy of the bill (S. 5436) introduced by Senator Beveridge on January 18, instant. Prior to its introduction Maj. Richardson informed me that he was being consulted in its preparation and that his action in that respect was approved by the President. I was not consulted in its preparation, though Maj. Richardson was, and this latter fact is apparent in its contents. The bill provides for the appointment of a legislative commission of nine, with unlimited power of legislation over the lives, liberties, and property of the people of Alaska. It provides for the appointment of an attorney general, a commissioner of the interior, a commissioner of education and health, and a commissioner of mines, who, together with the governor and four other persons, all to be appointed by the President, shall constitute the legislative council of Alaska. The proviso in section 16 of the bill provides:

"That one or more of the offices created by this act may be filled by officers of the United States Army. The official salary of any officer on the active list of the United States Army so serving shall be deducted from the amount of salary or compensation provided by this act: *Provided, further*, That in the event of any officer of the Army being so appointed commissioner of the interior he shall constitute one member and be chairman of the board of road commissioners."

If these two bills should become the law, it would probably permit the three officers of the United States Army now constituting the Alaska Road Commission to become the members of the legislative council of Alaska; it would result in Maj. Richardson becoming the commissioner of the interior, a member of the legislative council, a member of the Alaska railway commission, and continue him indefinitely as the chairman of the Alaska Road Commission. It would put practically all the power into his hands; he would become the dominating governing force and the dispenser of "franchises, privileges, and concessions" of the public resources of Alaska authorized in section 10 of the Beveridge bill. As major in the United States Army Maj. Richardson receives no more than \$4,000 per annum; under section 16 of the bill, as commissioner of the interior he would receive \$7,500, an increase of \$3,500, together with his "actual traveling and subsistence expenses."

Aside from his personal interests under these two bills, Maj. Richardson would be in a position to aid the Guggenheims and other big interests in Alaska. Guided by his action in standing sponsor for the Alaska railway commission bill, with its outrageous concessions in the matter of securing coal lands in Alaska, I am not prepared to admit that he would not do so. No one knows better than Maj. Richardson that the American miners, business men, newspapers, and people of Alaska generally are indignantly opposed to placing the control of the vast resources of Alaska into the hands of an appointive military commission. Yet, in violation of the President's order of last March, he is found here lobbying for this form of government in opposition to the

Delegate in Congress from Alaska, who represents the whole people of Alaska, excepting only one or two big interests which hope thus to control the great undeveloped resources of the Territory, as well as its government, through that channel.

The Beveridge bill was introduced on the 18th instant; I first knew of it on the 19th and learned that it was then being considered in the Committee on Territories of the Senate. I immediately went there and requested and was accorded a hearing on the 19th and 20th. I there objected to Maj. Richardson's connection with the matter and criticized him, as I had a right to do. I will forward you a copy of my statement before the committee as soon as it is printed.

On coming out of the committee room to-day I was met by Maj. Richardson in the corridor of the Capitol near the room. In an angry tone he threatened me for what I had said before the committee of the Senate about his connection with these bills, and said that only his position as a major in the Army and my position as a Delegate in Congress protected me. I shall perform my duty as Delegate from Alaska without fear of assault from Maj. Richardson, but I most earnestly protest against being threatened in the Capitol by an officer of the Army for daring to perform such duty. It is bad enough to have him lobbying around the corridors in an effort to impose himself as a part of a military legislature upon a helpless and law-abiding American community in time of peace—to increase his own salary and evade his duties in the Army—without having him threaten the representative of those people for performing his congressional duties, and I protest against his violence and insolence.

I respectfully request that the order of the President of March last be enforced against Maj. Richardson; that he be ordered to return to Alaska to devote his time to his duties as chairman of the Alaska Road Commission, or that he be ordered to return to his military duties in the United States Army. And I protest against his being permitted to remain in Washington as a lobbyist in favor of legislation which the Delegate in Congress from Alaska is opposing as inimical to the interests of the people of that Territory.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

HOUSE OF REPRESENTATIVES,
Washington, February 12, 1910.

Hon. J. M. DICKINSON,
Secretary of War, Washington, D. C.

SIR: I have the honor to acknowledge the receipt of your letter of January 29, in answer to mine of January 20, in which you decline to approve my request that Maj. W. P. Richardson, United States Army, be relieved from duty in Washington and ordered back to his duties in Alaska or in the Army. You say you have no information other than the statement in my letter that Maj. Richardson has been "lobbying," but that if I will support my statement in that respect with evidence which, in your judgment, will authorize it, you will order an investigation.

First Maj. Richardson is entirely disingenuous in his statement to you and to the Committee on Territories of the Senate on the hearings on the bill (S. 5436) known as the Beveridge bill, when he declares that Mr. Falcon Joslin was, or is, responsible for the preparation and authorship of that railway commission bill, a letterpress copy of which is attached to my letter to you of January 20, and hereinafter called the Richardson bill, with its monopoly coal subsidy, guaranty of prior construction accounts, and exemption from taxation clauses.

Herewith attached is a printed copy of the hearings and statements before the Senate Committee on Territories on the bill (S. 5436) "to create a legislative council in the District of Alaska, to confer legislative power thereon, and for other purposes," and also a copy of the original and amended bill. The printed hearings contain such portions of my statement as were taken by a stenographer, and purport to, and probably do, contain Maj. Richardson's entire statement.

Quoting from page 47, statement:

"Senator CLARKE of Arkansas. Have you another bill which you prepared, which you have in your charge, which contains a provision that when a railroad builds into a coal field it may select 5,000 acres of each coal field at the price of \$10 an acre?"

"Maj. RICHARDSON. That bill is here, Senator. I will state that a gentleman by the name of Mr. Falcon Joslin drew that bill and sent it to me and asked me if I would look it over and see if I thought it was a workable proposition. I modified it and made a number of changes and recommendations; and finally it was embodied in the form of a bill."

In answer to the direct inquiry, Maj. Richardson testified that Mr. Joslin drew up that bill—that is, the bill about which Senator CLARKE asked, which * * * contains a provision that when a railroad builds into a coal field it may select 5,000 acres of each coal field at the price of \$10 an acre?

And again:

"The CHAIRMAN. To whom did you first report that bill? To the department?"

"Maj. RICHARDSON. Mr. Joslin had delivered a copy of it to Mr. WICKERSHAM, the Delegate from Alaska, and wanted him to introduce it."

Still the same bill with the 5,000-acre coal-subsidy clause in it! Joslin never saw it until after Maj. Richardson gave me the letterpress copy, and I sent Joslin a copy of it on January 20.

Quoting from page 48, statement:

"Senator CLARKE of Arkansas. I want this committee to understand your connection with Mr. Joslin. Why were you given permission or why did you assume authority to amend that bill of his and interest yourself in it otherwise?"

"Maj. RICHARDSON. At the request of Mr. Joslin. As I say, pretty nearly everyone who is interested in Alaska or has anything he wants to promote—a great many of them, at least—come and talk with me and consult me and ask me what I think about their matters."

In other words, Mr. Joslin being desirous of promoting a scheme to give 5,000 acres of coal lands to these proposed railroads requested Maj. Richardson to amend and lobby for his bill for that purpose.

"Maj. RICHARDSON. Mr. Joslin asked me to modify this bill in any way I wanted to. I sent it back to him and he modified it himself. It has been rewritten four or five times."

"Senator CLARKE of Arkansas. Against what objections did you modify it?"

"Maj. RICHARDSON. I can not recall now; mostly as to phraseology. I remember particularly that in the case of the first clause there was a suggestion as to how it should be handled. The bill provided that it should be handled by a railway commission composed of five members."

"Senator CLARKE of Arkansas. Yes."

"Maj. RICHARDSON. I suggested that that ought to be three, because it was going to work under the War Department, and they ought not to have a number of other departments represented.

"Senator CLARKE of Arkansas. That was the matter you undertook personally, but it had no connection with your service as a road commissioner?"

"Maj. RICHARDSON. No, sir."

In all of his testimony Maj. Richardson is still talking about the bill "which contains a provision that when a railroad builds into a coal field it may select 5,000 acres of each coal field at the rate of \$10 an acre." He says that Mr. Joslin drew up that bill, and that he modified it mostly as to phraseology.

Quoting from page 49, statement:

"Senator CLARKE of Arkansas. You have not given anybody a copy of that bill?"

"Maj. RICHARDSON. I have given Mr. WICKERSHAM a copy. He already had a copy."

He still carefully conceals from the committee that there were two different bills—the Richardson bill, about which he is being questioned, containing the 5,000-acre coal subsidy and the guaranty of prior construction accounts, and the Joslin bill, which did not contain any such clauses.

"Senator CLARKE of Arkansas. Why did you give it to him? Why did you take enough interest in it to give him a copy of it?"

"Maj. RICHARDSON. I am not quite sure but what he asked me for it. If he did not, Mr. Joslin spoke to him about it; and Mr. WICKERSHAM said to me that he wanted to see it, and assured me that he would like very much to take charge of it and put it through. He said: 'I am with you absolutely on that bill and I think it ought to be done.'"

That statement is quite inaccurate. I told Maj. Richardson I would introduce the Joslin bill with modifications, and used substantially the expression last quoted in relation to the Joslin bill, but not regarding the Richardson bill. I had no knowledge of the existence of the Richardson bill, with its 5,000-acre coal-land subsidy and guaranty of prior construction account clauses, until after Maj. Richardson brought the letterpress copy to me about 10 days before January 20. I sent Mr. Joslin his first copy of the Richardson bill on January 20, and he had never spoken to me about it prior to that date.

In his letter of explanation, a part of which you quote in your letter of January 29, Maj. Richardson yet insists that Mr. Joslin "originally drew the bill and asked me to look it over and amend it where I thought advisable."

On page 58, statement, however, and again in his explanation to you, he says:

"I incorporated the provision with regard to coal lands, getting the idea from a resolution of a similar character passed by the American Mining Congress."

So, as a closing admission, he says that Mr. Joslin did not draw that part of the Richardson railway commission bill.

From his testimony, reiterated so often as to leave no doubt as to his meaning, it appears he sought to make the Senate committee understand and believe (1) that the Richardson bill, with its 5,000-acre coal-land subsidy and guaranty of prior construction clauses, was drawn by Mr. Joslin; (2) that he modified it mostly as to phraseology; (3) finally he claims that he incorporated the 5,000-acre coal-land subsidy clause, but (4) nowhere did he disclose to the committee, to the President, or to you that there were two bills, differing in the 5,000-acre coal-land subsidy, the guaranty of prior construction accounts, and other fundamental clauses.

Herewith I attach for your information and for comparison with the letterpress copy of the Richardson bill, transmitted to you by my letter of January 20, a copy of the Joslin bill. You will not find the 5,000-acre coal-land subsidy nor any idea of a similar character in it; nor is there any guaranty on prior or old construction, but, on the contrary, section 7 thereof expressly declares: " * * * but there shall be no guaranty of interest, as hereinafter provided, upon any bonds issued or to be issued in respect of any such completed and existing track."

Quoting from page 49, statement:

"The CHAIRMAN. You reported it also to the President, did you?"

"Maj. RICHARDSON. Yes, sir; I was just going to state that. I am not going to read all of this, but just a clause. I will state that this is a letter I sent to the President:

"EXTRACT.

"I send herewith a draft of bill for aid in railroad construction, which is drawn in its main features along the lines of the Philippines bill, with such modifications as seemed necessary to meet the conditions in Alaska. I have given much study to the subject, and the result is put in the form of a bill for convenience in presenting."

"Senator CLARKE of Arkansas. But you did not state that that bill originated with Mr. Joslin, or whatever his name is?"

"Maj. RICHARDSON. No, sir; he drew the first draft."

On page 51, statement, he is asked whether the bill given the President and the one given to me were identical.

"Senator CLARKE of Arkansas. Is the memorandum bill which you delivered to the President an exact copy of the one you delivered to Mr. Wickersham?"

"Maj. RICHARDSON. I think so; yes, sir. I know it is an exact copy; yes, sir. It has been rewritten several times, but I know those copies were the same."

But, pushed by cross-examination, he defends his innocence by denying its finished character as a bill. On page 49, statement, he said:

"Senator CLARKE of Arkansas. Well, a perpetual lease at \$10 an acre is the same thing. The bill does not fix any length of time."

"Maj. RICHARDSON. Senator, I had no expectation of the bill being introduced in that form. I merely drew an outline there."

Indeed! To the President he said in his letter of transmittal:

" * * * I have given much study to the subject, and the result is put in the form of a bill, for convenience in presenting."

He said nothing to the President about his bill being a mere "outline." When he gave me the letterpress copy of the exact bill he gave to the President he changed the word "purchase" to "lease," and with that single amendment asked me to introduce it without suggesting that it was a mere "outline." I submit that that was an afterthought born of public criticism, and is not justified by his letter to the President, his request to me, or the form and character of the bill itself.

Again, on page 58 of the statement before the Senate committee, and also in his explanation to you, quoted by you in your letter to me of January 29, Maj. Richardson said:

"I incorporated the provision with regard to coal lands, getting the idea from a resolution of similar character passed by the American Mining Congress."

Herewith I hand you a copy of a "Report of Proceedings of the American Mining Congress" for 1909, so that you may see, as I have seen, that no resolution of similar character is contained therein. I have examined the reports of the American Mining Congress, and consulted with its officers and others who know its course of action, and nowhere in any report or proceeding can I find, nor was there ever passed by that body, any "resolution of similar character," nor any resolution or proceeding of any character which contained or suggested the idea that any railroad in Alaska building " * * * to or through any coal field may select and purchase (lease) from the Government at the rate of \$10 per acre 5,000 acres of any coal lands in said field that are not already legally held by bona fide locators," as is provided in section 20 of the Richardson bill transmitted by him to the President, and which he requested me to introduce.

On the contrary, the general policy of the American Mining Congress has been in accord with our Government in opposition to coal railroads owning coal lands; a special prohibition against that form of monopoly is contained in the first section of the Hepburn act of June 29, 1906, and in the joint resolution passed by Congress on March 7, 1906.

The fact is: (1) That Mr. Falcon Joslin did not draw the Richardson railway commission bill, with its 5,000-acre coal-land subsidy and its guaranty of prior construction-account clauses, as stated by Maj. Richardson; (2) that Maj. Richardson did not draw the railway commission bill which he transmitted to the President with that official assurance, and which he asked me to introduce in Congress; (3) that the attorneys and lobbyists for the Alaskan Central and Copper River & Northwestern Railroads, using the Joslin, or Philippines, bill as a basis, completed the Richardson bill with its 5,000-acre coal-land subsidy and guaranty of prior construction-account clauses, and Maj. Richardson transmitted it to the President; (4) that Maj. Richardson was equally inaccurate in his statement to you and to the Senate committee when he testified that he got the idea of the 5,000-acre coal-land subsidy to these railroads from a resolution passed by the American Mining Congress.

Second. To lobby is to address or solicit members of a legislative body at any place away from the house with a view to influence their votes. You desire to know if there is any evidence that Maj. Richardson has been engaged in "lobbying" in Washington.

Your attention is first called to the whole of Maj. Richardson's testimony before the Senate Committee on Territories (S. 5436) in the printed statement attached hereto, from page 43 to page 59. On page 45 he testifies that he suggested that at the beginning of his road work—in 1904—he would be glad to come to Washington to lay " * * * the facts before the Secretary of War and before the proper committees of Congress."

"The CHAIRMAN. Respecting the matter of transportation?"

"Maj. RICHARDSON. Yes, sir. The answer to that was a telegraphic order to come to Washington. Each year since then I have been ordered by the Secretary to report in Washington in order to go before the committees and represent the needs of Alaska in respect to my work. I have been appearing before the Military Committees of the House and Senate."

On the same page he said, in answer to a question from the chairman, asking if any person connected with any interest had made any suggestion in respect to advancing those interests:

"Maj. RICHARDSON. Oh, yes, sir. Some interests have asked me to aid them; and where I could I have not hesitated to do so."

"The CHAIRMAN. Aid them in what way?"

"Maj. RICHARDSON. In recommendations—as, for instance, in regard to the transportation of supplies up the Yukon River from St. Michael by boat. It is a very dangerous passage around the outside of the island of St. Michael. There is a little canal that passes behind the island, which needs some improvement to make the passage of that route safe. I think the Senators are familiar with that."

"Senator DILLINGHAM. We made a special report on that project recommending it."

"Maj. RICHARDSON. And the commercial transportation interests have asked me to go before the Board of Engineers on the subject to state the conditions, and I shall be glad to do it."

"The CHAIRMAN. That is, the steamboat companies on the Yukon?"

"Maj. RICHARDSON. Yes, sir."

His attitude toward lobbying is shown in his answer to the first question on page 46, statement:

"Maj. RICHARDSON. No, sir; none whatever—in no way outside of my official capacity as an officer representing the Government there. I have not been asked or approached by anyone in that way. By no corporation or other interest in that country have I ever been approached or asked to aid them in any way except in the matter of official recommendations relating to things which were of apparent benefit to the Territory. Naturally, Senator, having been in that country for many years, a great many people come to me and discuss things pertaining to Alaska and ask me what I think about them, and ask me if I can aid them or recommend something or other. If I think I can, consistently with my duty, I do so. If I do not, of course I say I can not. But so far as engaging in any personal way is concerned, I never have had any relation of that kind, nor has anyone ever approached me in that way. I think my character is well enough known in that country to prevent such a suggestion ever being made to me."

Maj. Richardson has officially recommended the railway commission bill, with its 5,000-acre coal land subsidy and guaranty of prior construction account clauses, to the President, and the above quotation explains his attitude thereon. His activity as a lobbyist is vouched for by Senator NELSON on page 46, statement:

"Senator NELSON. If Maj. Richardson will allow me to interrupt him there, I want to say he has been of great assistance in getting special appropriations from the Military Committees for this road fund. How much have we gotten in all since we took up that work, Major?"

"Maj. RICHARDSON. A million dollars, Senator."

"Senator NELSON. I mean outside of this Alaska fund?"

"Maj. RICHARDSON. Yes, sir; a million dollars."

"Senator NELSON. We have gotten a million dollars in direct appropriations?"

"Maj. RICHARDSON. Yes, sir."

"Senator NELSON. And that has been done largely because Maj. Richardson has been down here and explained the conditions to the War Department, and has himself appeared before the committees of both Houses; since that act was passed in 1905, the Alaska fund would have been but a trifle—it was passed in 1905, was it not?"

"Maj. RICHARDSON. Yes, sir."

"Senator DILLINGHAM. That, Senator NELSON, was in direct accordance with the recommendation we made after you were there."

"Senator NELSON. Oh, yes; certainly; I appeared once or twice with Maj. Richardson before the Senate committee, and the major has looked after the matter before the House committee. But for his efforts we never should have secured that appropriation for the road and bridge and trail fund, which I regard as one of the most vital needs of Alaska."

And in respect to his lobbying for the Beveridge bill (S. 5436), for the appointment of a military legislature for Alaska, Maj. Richardson said, page 47, statement:

"Senator CLARK of Arkansas. Did you prepare the bill that is pending before the committee, major, or were you consulted in its preparation?"

"Maj. RICHARDSON. I was consulted in respect to certain features, Senator."

On page 48, statement, he also testified:

"Maj. RICHARDSON. I have been consulted in regard to this matter of navigation of the Yukon. I have also been consulted with regard to the improvement of the coastwise lighting, which is a most important thing for that country; and I have said that if I were ever called upon, or it were brought to me in any proper way, I should be glad to give evidence in favor of some plan to improve the lighting of that coast."

On page 54, statement, Senator NELSON states the length of service and that character of the work Maj. Richardson has performed in Washington as a lobbyist:

"Senator NELSON. I want to say to the committee in this connection, that since this road law was passed and the major was appointed at the head of the commission, he has been here every winter. He and I have frequently conferred about Alaskan matters, and about securing appropriations for roads and trails; and I have found him very helpful. He has given me lots of valuable information about Alaska; and I think he has been very helpful not only in securing appropriations, but other legislation. We have had passed some modifications to the original road law; and there is other legislation I know he is in favor of. I have talked to Maj. Richardson about this license to the fish canneries, which they succeeded in eliminating. He believes, as I do, that that should be restored. I can say that he has been most helpful; and without his help I doubt if we could have secured these extra appropriations for road building in Alaska. The money has all been devoted to road building."

Maj. Richardson declares that he prepared the railway-commission bill; he transmitted it to the President with a letter in its support; he gave me the letterpress copy of that bill which I transmitted to you in my letter of January 20, and requested me to introduce it in Congress. He admitted that he was consulted in the preparation of the Beveridge bill (S. 5436) for the establishment of an appointive legislative council in Alaska, and he visited my office in the House Office Building with an extract therefrom, and requested other Members of Congress to support it.

Maj. Richardson was engaged in "lobbying" for the Beveridge bill for the creation of an appointive legislative council in Alaska when he assisted in its preparation; also when he aided to arrange it so that the board of Alaska road commissioners, of which he is chairman, would be continued indefinitely in the organic law of Alaska; also when he aided to arrange the plan of the legislative council so that the commissioner of the interior in Alaska might be an Army officer with greatly increased salary, and be also a member of the board of Alaska road commissioners, of which he is chairman; also when he carried a portion of the Beveridge bill, then in preparation, to the Delegate from Alaska, to show its qualities; also when he appeared before the Senate Committee on Territories and gave testimony in its support; and also when he consulted and advised with Members of Congress and solicited their aid for the bill.

Maj. Richardson was also engaged in "lobbying" when he consulted with the attorney for the Canadian interests in the Alaska Central Railroad in the preparation of the Richardson railway commission bill; also when he transmitted it to the President, with a letter in its support; also when he brought the letterpress copy, which I attached to my letter to you of January 20, to the Delegate from Alaska and solicited him to introduce it in Congress; also when he solicited support for it before the Senate Committee on Territories.

Third. But, Maj. Richardson answers, I was directed and authorized by my superior officers to prepare these bills and remain in Washington and lobby for them.

Quoting from page 50, statement:

"Maj. RICHARDSON. When President Taft was Secretary of War he was before a committee of the House in reference to aid to the railroads in Alaska. He sent for me and talked to me about the matter, and he instructed me then to keep him advised by reports from time to time as to the progress which was being made in the development of railroads in Alaska, as he was willing to give his support to that development. He was fresh from his work in the Philippines and was much interested in the subject. In accordance with that instruction, I submitted a report from time to time as to the progress made by the railroads in Alaska. Last year, after he was elected and before he was inaugurated, I called upon him and asked him if he desired me to continue, or approved my continuance in a preliminary way, to get things in shape so that some definite action could be taken. He said: 'Yes; I am committed on that subject, and you have my authority to do that.' It was directly under that authority that I concerned myself with that matter. Otherwise I should not have done it."

Quoting from pages 52 and 53, statement:

"Maj. RICHARDSON. All that I can say is that it is not true, Senator. It is unqualifiedly false. The Secretary of War instructed me the first year I came down to report to Senator NELSON, who fathered the bill, and be guided by his direction; and I have never made a suggestion in regard to legislation respecting my own bill or this railroad bill without submitting it to Senator NELSON. He knows that I have called upon him."

"The CHAIRMAN. You have submitted it to him by direction of the Secretary of War?"

"Maj. RICHARDSON. That was under direction of the Secretary of War. He told me to advise with Senator NELSON and follow what he said. And in respect to this railroad bill or anything else, Senator NELSON, I have never made a move except to submit it to you. I think I know my limitations, and I have tried to keep within them. I have consulted with the Delegate from Alaska, naturally, because he is representing the interests of the Territory, and with the Territories Committees, with respect to my own particular work of road building in Alaska and the modifications I wanted to get in the law for the purpose of making it more workable and probably increasing the fund, and with the Military committees, on appropriations. I have consulted with him in respect to that."

Attention is also called to the Executive Order of November 26, 1909, forbidding Army officers from applying to any committee or Member of Congress for legislation or for congressional action of any kind, except with the consent and knowledge of the head of the department:

EXECUTIVE ORDER.

It is hereby ordered that no bureau, office, or division chief, or subordinate in any department of the Government, and no officer of the Army or Navy or Marine Corps stationed in Washington, shall apply to either House of Congress, or to any committee of either House of Congress, or to any Member of Congress, for legislation, or for appropriations, or for congressional action of any kind, except with the consent and knowledge of the head of the department; nor shall any such person respond to any request for information from either House of Congress, or any committee of either House of Congress, except through, or as authorized by, the head of his department.

WM. H. TAFT.

THE WHITE HOUSE, November 26, 1909.

Maj. Richardson declares in his testimony that his connection with the railway-commission bill and the military-legislative-council bill was known to and approved by his superior officers, but it does not follow that they had been advised of the effect to follow the application of those bills to Alaska. There is no evidence to show that they knew that a railroad and coal syndicate was using Maj. Richardson's complaisance and his confidential relations with the administration to thrust their cuckoo's eggs into the administration nest. Assuming, then, that the Secretary of War knows, or can know, that the Beveridge appointive legislative bill for Alaska was prepared in the Bureau of Insular Affairs, with Maj. Richardson's aid, and a copy given to the chairman of the Committee on Territories of both the House and the Senate for introduction in Congress, and that the Richardson railway-commission bill was prepared by those who expected to secure its benefits, and brought to the attention of the President by Maj. Richardson, I wish to show what the effect will be when these laws are applied to Alaska.

Fourth. That the Richardson railway commission bill has not been introduced in Congress is not the fault of Maj. Richardson, for he solicited the Delegate from Alaska to introduce it and delivered the letterpress copy, attached to my letter to you of January 20, to him for that purpose.

The Alaska railway commission and the Alaska road commission are indissolubly united in the organic act creating the military legislative council for Alaska under the control of the military bureau of insular affairs by sections 2, 4, and 14. These bills were prepared under Maj. Richardson's eye with a view to organizing into one body—

1. The Alaska railway commission.
2. The Alaska road commission.
3. The Alaska military legislative council.
4. Under the control of the military bureau of insular affairs.

For a fair understanding of his plan and its purpose you must know the facts and conditions which surround the two railroads which his plan purposes to weave into the organic law of the Territory. Hereto attached is a map of Alaska showing the location and the route of the Copper River & Northwestern Railway, the Guggenheim-Morgan road from Cordova to their private copper mine at Bonanza, 180 miles away from Cordova, and showing the branch road from near the mouth of the Copper River to the Katalla coal fields. It also shows the location and the route of the Alaska Central Railway from Seward to the Matanuska, 175 miles distant from Seward.

The Alaska Central was begun in 1902, and work thereon was suspended three years ago. In 1908 it was put in the hands of a receiver, where it yet remains. It was recently bought in by the Sovereign Bank of Canada for about \$600,000 to secure the Canadian bondholders for about \$6,000,000, most of which had been issued as collateral for use in other enterprises. The road begins at Seward and is projected to the Matanuska coal fields, where it is anticipated the Canadian owners will acquire the 5,000 acres of coal under the subsidy clause in section 20 of the Richardson bill, in addition to whatever they may have located through coal claimants.

The Copper River & Northwestern Railway was begun two years ago, and now has a first-class road built from Cordova across the delta and thence up the gorge of the Copper River about 102 miles; it is in course of construction, and it is planned to reach the Bonanza copper mine next year. So far the road represents an investment of about \$10,000,000, and it will represent when finished about \$20,000,000. A branch from the mouth of the river will be built to the Katalla coal field at a minimum cost of \$5,000,000. This road, of course, expects to secure the 5,000-acre coal-land subsidy provided for in section 20 of the Richardson bill, in addition to whatever it may secure by present locations.

Both of these railroads are private rather than public utility enterprises. In that both are being built by private corporations to reach and develop coal and copper mines owned by their promoters. The Bonanza copper mines are in a cul de sac in the Alaska Range, 180 miles from Cordova, and it is impossible for the road to go farther into the interior except by a branch up the Copper River. The Bonanza copper mines were thought to be the most valuable and extensive in America, but recent reports, since the building of a hundred miles of the road, are that the copper deposit is limited and will not pay even the cost of railroad construction. When this became known the Guggenheim syndicate immediately began to lobby for a Government guaranty, and if the Richardson bill, or one containing a guaranty clause, can be passed, the Government may soon have the stub end of a railroad on its hands for 30 years' interest, and the great interior of Alaska will await development until its people shall have overcome the Government's losses. These two railways occupy the two great gateways into the interior of Alaska to the exclusion of every other road. They block any further development of the resources of Alaska by other railroads. There are no other railroads in Alaska which the peculiar phraseology of the Richardson bill fits, or which could be aided thereby.

Fifth. The Richardson railway commission bill provides for the appointment of a board of railway commissioners for Alaska, to be composed of three officers of the Army, and provides for its organization in the usual way. Section 3 makes it the duty of the commission to designate, subject to the approval of the Secretary of War, the line or lines of railway in Alaska which will, in their judgment, develop to the greatest degree the resources of Alaska, and makes it their duty to invite bids for the construction of such roads from citizens, copartnerships, and corporations; and section 4 provides: " * * * if the award be made to any such individual or copartnership, he or it shall, within 30 days thereafter, duly assign and transfer the same to a cor-

poration of the character and qualifications specified in section 2 of the act of Congress approved May 14, 1898 * * * to wit:
 " * * * any railroad company duly organized under the laws of any State or Territory. * * * " (30 Stat. L., 409.)

The Alaska Central and the Copper River & Northwestern Railways are the only two companies organized and ready to take advantage of the act under the 30-day clause; that clause would give them a monopoly of opportunity for coal lands subsidy and guaranty of prior construction; the law was prepared to exactly fit their situation.

Section 6 of the Richardson bill provides that if any railroad company which has received or shall receive an award to build a subsidized road " * * * shall be or become the owner of any right of way, track, or partially completed (or completed) road upon or along any line designated by the commission * * * " such old track or road may be subsidized and the interest on its bonds guaranteed for the full original cost of construction to be determined by the commission. This clause was especially prepared to enable the Richardson commission to guarantee the interest on bonds for the prior construction of the Alaska Central and Copper River Roads, the first having some years ago constructed 75 miles, and the latter having now constructed 102 miles.

Section 15 of the Richardson bill provides for the character of the guaranty of interest, as follows:

"Sec. 15. That for the purpose of aiding in the construction, equipment, and maintenance of such railroads the commission is empowered to enter into a contract of guaranty with the grantee undertaking to construct, equip, operate, and maintain any such railroad whereby the Government will guarantee for a fixed period not exceeding 30 years from the date of issue and delivery of the bonds hereinafter described, the due and punctual payment by the grantee of interest at a rate not to exceed 4 per cent per annum, payable annually, and in the event of the default of the grantee, will itself pay upon demand interest at the same rate for the remainder of the said period of 30 years upon first lien bonds to be issued by the grantee, and properly secured by mortgage or deed of trust upon the said railroad, its equipment, franchises, etc. * * * "

Four per cent per annum for 30 years amounts to 120 per cent of United States Government security back of every dollar of construction, past or present, put into the Alaska Central or Copper River roads. The former now has more than \$6,000,000 outstanding construction account and bonds, while the latter has expended about \$10,000,000 in construction. It will cost the Alaska Central probably \$20,000,000 to reach its Matanuska coal locations, and the Copper River road nearly an equal amount to reach its private copper mines at Bonanza. It will cost the Copper River road \$5,000,000 additional to build its branch to its coal locations at Katalla; in round numbers about \$45,000,000 will be invested in construction when both roads are completed. Four per cent per annum on that sum is \$1,800,000, which this bill proposes to guarantee for 30 years—a present worth security to these two favored monopolies of a Nation's guaranty of \$54,000,000, or \$9,000,000 more than it will cost to build both roads for active work.

Section 20 of the Richardson bill contains the coal-land subsidy clause in the following words:

" * * * *Provided further*, That any corporation having a contract to construct a line of railway under the provisions of this act to or through any coal fields, may select and (purchase) lease from the Government, at the rate of \$10 per acre, 5,000 acres of any coal land in said field that are not already legally held by bona fide locators, the product thereof to be used in operating its railway and for sale to the public. * * * "

Since the Alaska Central already has one Alaska gateway and the Copper River Road the other, and both are half built and have a monopoly of opportunity under the Richardson bill, they will each receive a subsidy of 5,000 acres of Alaskan coal land under this clause. No other railroad could receive it, because not " * * * having a contract to construct a line of railway under the provisions of * * * " the Richardson bill. Five thousand acres of Alaskan coal land is worth a minimum of \$5,000,000, and since both roads would receive a like amount, the bill grants a minimum of \$10,000,000 in coal in addition to the guaranty of interest on the bonds.

The Richardson bill also gives its favorites practical exemption from taxation for 80 years, as follows:

"Sec. 11. The grantee named in the award for the construction of any such designated line shall pay to the Government annually for a period of 30 years from and after completion of such line an amount equal to one-half of 1 per cent of the gross earnings of the grantee in respect of such line for each preceding year. After the said 30 years, and for 50 years thereafter, the amount so to be paid annually shall be an amount equal to 1½ per cent of such gross earnings for each preceding year, and after such period of 80 years the percentage and amount so to be paid annually by the grantee shall be fixed by the Government. Such annual payments when promptly and fully made by the grantee shall be in lieu of all taxes of every name and nature—municipal, Territorial, and otherwise—upon its capital stock, franchise, right of way, earnings, and all other property owned or operated by the grantee under such award."

For 30 years these two monopolies are required to pay only one-half of 1 per cent per annum upon their gross earnings. Since the roads would be engaged in hauling their own copper and coal, the rate would be as near nothing as they cared to make it, and one-half of 1 per cent of nothing would be the amount of taxes they would pay for 30 years. For the next 50 years they are required to pay an additional 1 per cent, but since the amount must always depend upon the coal and copper to be hauled from their own mines, and they may fix the rate at their own discretion, it would continue for 80 years to be a mere congressional exemption from taxation. And this one-half of 1 per cent of whatever these two roads might choose to charge themselves for hauling their own coal and copper " * * * shall be in lieu of all taxes of every name and nature—municipal, Territorial, or otherwise—upon its capital stock, franchise, right of way, earnings, and other property owned or operated by the grantee under such award," including its private copper mines, the 10,000 acres of subsidy coal lands, its improvements thereon, and its steamers, barges, and coal and copper carrying lines. All other roads, though they be public-utility roads for the development of Alaska, are barred from this exemption and must pay taxes. This clause throws the entire burden of taxation in Alaska upon the small home owner, the business man, and other railroads, excepting only these two favored monopolies.

But there is a limitation upon the ability of the Government. The first clause of section 20 of the Richardson bill provides:

"Sec. 20. The total annual contingent liability of the United States Government under the guaranties and for all other purposes authorized by this act shall not at any time exceed the sum of \$1,200,000."

One million two hundred thousand dollars is only 4 per cent on \$30,000,000, which is conceded to be insufficient to build the Alaska Central to the Matanuska coal and the Copper River road to the Bonanza copper mine and the Katalla coal. This bill puts the Government in the position of giving a guaranty to these two favored roads and then saying to all other roads: "The coal subsidy, the guaranty on construction, the exemption from taxation, and all other aids to railroad building in Alaska are exhausted." Alaska would thus have two private railroads built with Government aid to private mines, and any other public-utility and interior-development road would find the gate closed against it, with taxes to pay, with no coal subsidy, and no Government aid. The result of aid so given exclusively to these two roads (1) will not be needed to secure their building, since both are in process of construction; (2) will only aid at best in building two private roads to private mines; (3) which will thereby exhaust the bounty of the Government (4) without opening up or developing any part or portion of Alaska except that part privately owned by the two companies; (5) and will thereby bar any other roads from opening the public lands in Alaska to development, or the great interior agricultural valleys to settlement. Such a law is exclusively in aid of the two roads mentioned, and a monumental injury to Alaska and its development.

Sixth, in section 2 of the Beveridge bill it is provided that the Governor " * * * shall annually, or at such other times as he may be required, make official reports of the transactions of the government in Alaska to such executive departments of the Government of the United States as may be designated by the President; and the President is authorized to place all matters relating to the government of Alaska in the jurisdiction of such department," meaning thereby the military Bureau of Insular Affairs.

The Richardson railway-commission bill was prepared by a competent lawyer; the Beveridge bill in the Bureau of Insular Affairs. Both are prepared from the point of view of the benefits to be derived therefrom by the draftsmen.

The original Beveridge bill provides an appointive legislative council of nine members for the Territory of Alaska, and grants this appointive body unlimited legislative power:

"Sec. 9. That the legislative authority herein provided shall extend to all rightful subjects of legislation not inconsistent with the Constitution and laws of the United States hereafter enacted * * * "

Having thus barred the Constitution and laws of the United States from Alaska, and thus secured an even start with Congress, the bill in the next section provides:

"Sec. 10. That the legislative council may grant franchises, privileges, and concessions, including the authority to exercise the right of eminent domain, for the construction and operation of works of public utility and service * * * "

If now they find they have missed anything in the Richardson railway-commission bill which the monopoly created therein may want, the council will have the power to concede it—prior laws of the United States notwithstanding. This section also empowers the council to " * * * provide for the effective regulation of the charges * * * " of public-service corporations—meaning railroads—and this bars the Interstate Commerce Commission control of rates. No limit is placed on the power of taxation except in the Richardson railway-commission bill, and then only in favor of the objects of its bounty.

Section 2 of the Beveridge bill gives the President authority to transfer entire control of Alaskan matters to the military Bureau of Insular Affairs. Section 16 fixes the military character of the appointive legislature for Alaska, under the Bureau of Insular Affairs, as follows:

" * * * *Provided*, That one or more of the officers created by this act may be filled by officers of the United States Army. The official salary of any officer on the active list of the United States Army so serving shall be deducted from the amount of salary or compensation provided by this act: *Provided further*, That in the event of any officer of the Army being so appointed as commissioner of the interior he shall constitute one member and be chairman of the board of road commissioners."

Each of these officers of the United States Army thus appointed to the military legislature for a free body of 50,000 law-abiding and liberty-loving American citizens is under the direct military command of the Bureau of Insular Affairs, and the result really is that Alaska will be controlled in its legislative body by the Bureau of Insular Affairs. In the preparation of the Beveridge bill in the Bureau of Insular Affairs, Maj. Richardson was carefully provided for as commissioner of the interior and embalmed in the organic law as chairman of the road commission and his salary increased from \$4,000, the maximum pay of a major in the Army, to \$7,500. He had this additional reason for engaging in its preparation and in lobbying it through the Senate committee.

These two bills are so united in authorship, and so intimately interwoven into organic law, that they must be considered together. The Richardson railway-commission bill has not yet been introduced, but the evidence is not denied that Maj. Richardson delivered the letterpress copy thereof to the Delegate from Alaska and solicited him to introduce it. The original legislative bill before the Senate has been so amended as to remove most of its objectionable features, but since it was reported to the Senate with amendments it has been introduced in the House in practically its original shape, because the amendments in the Senate are said to be unsatisfactory to the parties interested. If it should pass the House in the shape it is now pending there, it will be quite possible to consummate the purposes of the Richardson railway-commission bill as soon as the source of power shall be removed from the limelight of publicity in Washington to the darkness of an Alaskan lobby.

Has Maj. Richardson engaged in "lobbying"? You said in your letter of the 29th ultimo that you had no other information than the statement in my letter to you of the 20th ultimo, that Maj. Richardson had been "lobbying," and that if I would support my statement in respect to "lobbying" with evidence which in your judgment would authorize it, you would order an investigation. There has now been disclosed to you evidence which is public and admittedly true, including the letterpress copy of Maj. Richardson's bill, which clearly establishes the fact.

I again assert upon the evidence that in the matter of the railway commission and the legislative council bills Maj. Richardson has been engaged in "lobbying" in the most offensive and dangerous way in

the single interest of the Alaska Central and the Copper River & Northwestern railroads and their promoters and owners. His "lobbying" has been active, open, notorious, and highly detrimental to the interests of the Government, the people of the United States, and particularly the people of Alaska. It will not be a sufficient answer for him to say that he did not know the effect of his proposed railway commission bill, for he declared to the President that he had given much study to the matter. If he is so ignorant that he did not know the evils in it, he is even more dangerous than if he knew. If he knew he is a party to a scheme to injure Alaska which has no parallel in the history of the looting of that great undeveloped empire.

The evidence now before you shows conclusively:

1. That Maj. Richardson's statements are entirely inaccurate when, in answer to direct interrogation by Members of the Senate committee, whether he had a bill "in your charge which contains a provision that when a railroad builds into a coal field it may select 5,000 acres of each coal field at the price of \$10 an acre," he answered that "Mr. Falcon Joslin drew that bill."

2. The evidence is just as conclusive that his statement in his written explanation to you that "I incorporated that provision with regard to coal lands, getting the idea from a resolution of similar character passed by the American Mining Congress," was inaccurate and misleading.

3. His own admission in his testimony before the Senate committee and Senator Nelson's testimony, the original letterpress copy of his railway commission bill, the records in the War Department, his presence in Washington as a lobbyist for six sessions of Congress, and general public knowledge establishes beyond reasonable doubt that he has long been, and this winter was, engaged in "lobbying."

4. The evidence before you and the character and contents of his railway-commission bill and the conditions existing at and surrounding the Alaska Central and the Copper River & Northwestern Railroads clearly establishes that he was lobbying for a bill the purpose of which was to benefit the owners and promoters of the two named railroads to the exclusion of every other interest.

5. The evidence in the record and the character of the railway-commission and the legislative-council bills will justify the Secretary of War in finding that Maj. Richardson was engaged in preparing the two bills and lobbying for their introduction in, and passage by, Congress in aid of his own official advancement and to increase his own salary.

6. The evidence justifies the people of Alaska and their representative, the Delegate from Alaska, in concluding that Maj. Richardson engaged in the preparation of a bill and in lobbying for its introduction in, and passage by, Congress to impose upon them an appointive military legislature under the domination of the Bureau of Insular Affairs in violation of their expressed wishes and in violation of every principle of free government.

7. The evidence justifies the people of Alaska and their representative, the Delegate from Alaska, in concluding that if the legislative-council bill now pending before Congress shall become a law and Maj. Richardson shall become the secretary of the interior and a member of the appointive military legislative council he will continue to aid the promoters and owners of these two railroads in their efforts to monopolize the resources of Alaska and the bounty of the Government to the exclusion of every other interest and to the great damage of the Territory.

It was with much regret that I found myself forced to publicly criticize Maj. Richardson's actions and motives. Had the issue been less than an effort to impose an appointive military legislature upon the orderly and law-abiding people of Alaska and the criminal waste of the proposed subsidy for developing the interior resources of the Territory, I should have avoided the controversy.

In addition to my former objection, I now protest that Maj. Richardson's services are not required in Washington in the performance of any duty imposed upon him by the laws creating the Alaska Board of Road Commissioners, and I respectfully request that he be ordered to his duty.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

HOUSE OF REPRESENTATIVES,
Washington, February 14, 1910.

Hon. J. M. DICKINSON,
Secretary of War, Washington, D. C.

Sir: Herewith I hand you an original letter from O. G. Laberee, receiver of the Alaska Central Railway Co., and one of the promoters of the reorganization thereof, dated at Seward, Alaska, August 9, 1909, and addressed to Mr. J. L. Steel, Landlock Bay, Alaska, in words and figures following:

ALASKA CENTRAL RAILWAY CO.,
OFFICE OF RECEIVER,
Seward, Alaska, August 9, 1909.

Mr. J. L. STEEL, Landlock, Alaska.

DEAR SIR: In October, 1908, the bondholders of the Alaska Central Railway Co. began foreclosure proceedings in the District Court of Alaska, Third Division, and I was appointed receiver.

The Alaska Central Railway was originally projected to build to Fairbanks on the Tanana River, a distance of about 400 miles, passing through the Susitna Valley with a branch line (about 38 miles) to the Matanuska coal fields. There has been expended to date about \$4,000,000. When the present contracts are completed next November there will be 72 miles of track laid, with considerable work done beyond mile 72.

Since my appointment I have made a careful study of the probable tonnage along the line of the road as proposed, and have also conferred with numerous capitalists and financial institutions in the United States and Europe, with a view of securing sufficient capital to complete the line. I find that the principal tonnage to be relied upon at present will be coal from the Matanuska district; but under the existing condition of the title to these coal lands there is no way of obtaining coal to transport, even were the line completed that far. It appears to me that it will be impossible to secure the necessary money to complete the road until some arrangement is made whereby the coal tonnage is available. On the other hand, I have assurances from responsible financial people that if Congress would give this company, or its successor, the right to select and purchase 5,000 acres of coal lands in the Matanuska district at the regular price of \$10 per acre, they would be willing to furnish enough additional capital to complete the line at least that far.

The territory tributary to the road is greatly in need of transportation facilities. It is very promising from both mining and agricultural standpoints. There have been a large number of quartz veins

discovered, which are now being developed at various points along the line; there is a large area of agricultural land, a portion of which has already been homesteaded and all of which would soon be put in cultivation if the road should be built; but if it is not built, I can see no possible way how any of these resources could be further developed, and it appears to me that the Government would certainly make no mistake in advocating the assistance outlined above.

Yours, very truly,

O. G. LABEREE, Receiver.

This letter is offered as additional to my letter to you of the 12th instant in the matter of your inquiry touching the fact of Maj. Richardson lobbying.

This letter shows: (1) That the Alaska Central promoters are seeking legislation to secure "the right to select and purchase 5,000 acres of coal lands in the Matanuska district at the regular price of \$10 per acre," a phrase so exactly like that used by Maj. Richardson in his coal-land subsidy clause as to occasion remark. (2) That Mr. Laberee has assurances from responsible financial people that if Congress would give his company, or its successor, a coal subsidy in the Matanuska district "they would be willing to furnish enough additional capital to complete the line at least that far"—that is, to their 5,000 acres in the Matanuska district. This statement from the Alaska Central is so strongly corroborative of my former statements that it seems necessary to fair conclusion that you should have the original letter.

It is a circumstance to show, too, that Maj. Richardson may have been mistaken when he told you in his explanation that "I incorporated the provision with regard to coal lands, getting the idea from a resolution of similar character passed by the American Mining Congress."

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

APPENDIX II.

THE ISTHMIAN CANAL.

[By Lieut. Col. George W. Goethals, United States Army, Chairman and Chief Engineer, Isthmian Canal Commission.]

We are justly proud of the organization for the prosecution of the work. The force originally organized by Mr. John F. Stevens for the attack upon the continental divide has been modified and enlarged as the necessities of the situation required, until at the present time it approaches the perfection of a huge machine, and all are working together to a common end. The manner in which the work is being done and the spirit of enthusiasm that is manifested by all forcibly strikes everyone who visits the works.

The main object of our being there is the construction of the canal; everything else is subordinate to it, and the work of every department is directed to the accomplishment of that object.

In addition to the department of construction and engineering, there are the departments of sanitation and civil administration, the quartermaster's and subsistence departments, the purchasing department organized in the United States, the legal department, and the departments of examination of accounts and disbursements. Subordinated to, but acting in conjunction with, the commission is the Panama Railroad.

Too much credit can not be given to the department of sanitation, which, in conjunction with the division of municipal engineering, has wrought such a change in the conditions as they existed in 1904 as to make the construction of the canal possible. This department is subdivided into the health department, which has charge of the hospitals, supervision of health matters in Panama and Colon, and of the quarantine, and into the sanitary inspection department, which looks after the destruction of the mosquito by various methods, by grass and brush cutting, the draining of various swampy areas, and the oiling of unavoidable pools and stagnant streams.

According to the statistics of the health department, based on the death rate, the Canal Zone is one of the healthiest communities in the world, but in this connection it must be remembered that our population consists of men and women in the prime of life, with few, if any, of the aged, and that a number of the sick are returned to the United States before death overtakes them.

To the sanitary department are also assigned 11 chaplains employed by the commission to attend the sick, as well as to look after the spiritual welfare of the employees. At most of the villages there is a combined church and lodge house, so constructed that the lower floor is used for divine service, while the upper part provides places for meetings of the various lodges. The assignment of time to ministers and to lodges is made by the quartermaster's department.

The department of civil administration exercises supervision over the courts, which consist of three circuit and five district judges; the three former, sitting in banc, constitute the supreme court. The district courts take cognizance of all cases where the fine does not exceed \$100 or imprisonment does not exceed 30 days. Jury trials are restricted to crimes involving the death penalty or life imprisonment—in short, summary justice rules; and so long as the Zone is nothing more nor less than a construction camp this form of law or justice will continue to be the most satisfactory.

The department of civil administration has charge also of the police force, the post offices, collection of customs and taxes, the issue of licenses, and the public-school system. The schools are improved to such an extent that the children of the employees have very nearly the same advantages as in the United States up to and including the high-school courses.

The quartermaster's department has charge of the recruiting of labor, the care, repair, and maintenance of quarters, the collection and disposal of garbage and refuse, the issue of furniture, and the delivery of distilled water and commissary supplies to the houses of employees, and is to have charge of the construction of all new buildings. Operating in conjunction with the purchasing department in the States, the quartermaster's department secures all supplies needed for construction and other purposes and makes purchases of materials on the Isthmus when required.

The common-labor force of the commission and the Panama Railroad aggregates in the neighborhood of 25,000 men, and consists of about 6,000 Spaniards, with a few Italians, the remainder being from the West Indies. The Spaniard is the best laborer, as he possesses more strength and endurance. Under some conditions this is not true, the foreigner strenuously objecting to doing work that requires him to stand in water.

All the skilled labor, the clerical force, and the higher officials are Americans and are recruited through the Washington office.

This department also has charge of all the property records, receives semiannual returns of property from all those to whom property has been issued, and checks the returns and inventories of the storehouses, made at certain times, with the records compiled from original invoices.

The subsistence department has charge of the commissaries and the manufacturing plants, which consist of an ice and cold-storage establishment, a bread, pie, and cake bakery, a coffee-roasting outfit, and a laundry. These belong to the Panama Railroad Co., as, at the time they were established money received from sales could be reapplied, whereas if operated by the commission the money would have reverted to the Treasury, necessitating reappropriation before the proceeds of sale could be utilized. They are, however, under the management of the subsistence officer of the commission, who has charge of the various hotels, kitchens, and messes of the commission.

There are 16 hotels from Cristobal to Panama, which serve meals to the American, or gold, employees at 30 cents per meal. There are 24 messes where meals to European laborers are served, the cost per day to such laborers being 40 cents; and there are 24 kitchens, or messes, for meals supplied to the silver laborers, or West Indians, the cost to the laborer being 30 cents per day for 3 meals. Subsistence is furnished without profit to the commission, though every effort is made to have the institutions self-supporting. The commissaries and manufacturing plants are operated at a profit so as to reimburse the Panama Railroad Co. for its outlay in six years from January 1, 1909, at 4 per cent interest.

The subsistence department also has charge of the Hotel Tivoli, which is a large hotel located at Ancon, for the entertainment of the commission's employees at a comparatively low rate, and of transient guests at rates usually charged at first-class hotels.

All moneys are handled by the disbursing officer, who pays accounts that have been previously passed upon by the examiner of accounts. This last-named official makes the administrative examination required by law prior to the final audit of the accounts by the Auditor for the War Department. The pay rolls are prepared from time books kept by foremen, timekeepers, or field clerks, subsequently checked by the examiner of accounts, who maintains a force of time inspectors. The time inspectors visit each gang, generally daily, at unknown times to the foremen, timekeeper, or field clerk, and check the time books with the gangs of workmen; the inspectors report to the examiner of accounts the results of their inspection not only in connection with time-keeping, but all violations of the regulations of the commission that may come under their observation.

Payments of pay rolls are made in cash, beginning on the 12th of each month and consuming four days for the entire force on the Isthmus. All American employees and European laborers are paid in gold; all on the so-called "silver roll" are paid in Panamanian silver.

The department of construction and engineering is under the direct charge of the chief engineer. He is assisted by the assistant chief engineer, who considers and reports upon all engineering questions submitted for final action. The assistant chief engineer has charge of the designs of the locks, dams, and spillways, and supervision of these particular parts of the work. There is attached to the chief engineer an assistant to the chief engineer, who looks after mechanical forces on the Isthmus, and has supervision over the machine shops, the cost-keeping branch of the work, the apportionment of appropriations, and the preparation of the estimates. There is also an assistant engineer, who has charge of all general surveys, meteorological observations, and river hydraulics.

The zone is divided territorially into three divisions, each in charge of a division engineer, the first extending from deep water in the Caribbean south to include the Gatun locks and dams, known as the "Atlantic division." The second, or "Central division," extends from Gatun to Pedro Miguel, and includes the excavation through the continental divide. The third, or "Pacific division," extends from Pedro Miguel, including the locks and dams of that locality, to deep water in the Pacific.

The general plans emanate from the office of the chief engineer and the details are left to division engineers, subject to the approval of the chief engineer. The whole idea of the organization in the department of construction and engineering, and in fact of all the work, is to place and fix responsibility, leaving to each subordinate the carrying out of the particular part of the work intrusted to his charge.

Each division engineer has charge not only of the work involved in the construction of the canal, but all municipal engineering, including water supply, building and maintaining roads, and the establishment and maintenance of sewer systems. With the force under his charge the division engineer executes such sanitary draining as may be prescribed by the chief sanitary officer, so that all construction work, excepting the construction of buildings, concerning the location of which the division engineer is consulted, however, is directly in the hands of the division engineer.

Attached to the office of the chairman is a general Y. M. C. A. secretary, who has supervision of the commission's clubhouses, which are operated and maintained under the auspices of the Y. M. C. A. Four of these are now constructed and in operation, and four more are to be built from funds recently made available by Congress. They have done much toward securing a greater permanency to the force, in giving healthful amusement, and to a better contentment on the part of the employees.

APPENDIX III.

[Memorandum.]

NAVY DEPARTMENT,
BUREAU OF SUPPLIES AND ACCOUNTS,
Washington, D. C., January 10, 1911.

The SECRETARY OF THE NAVY.

ESTIMATES FOR FISCAL YEAR 1912.

4. On the last opening, on October 14, 1910, bids were invited for two cargoes of coal to San Francisco and the lowest foreign rate per ton was \$5.43, a material increase over previous rates, due to the withdrawal of a large amount of tonnage from the Atlantic Ocean which would otherwise have been available. Two bids were received on American steamers at \$8 per ton and one sailing vessel at \$7 per ton, whereas an American steamer had been chartered a few months before at \$6.33 per ton and a sailing vessel at \$6 per ton. The American owners were afforded the opportunity of reducing their rates, but declined to do so. The foreign rates being also considered excessive, no charters were made.

Pacific coast coals.—1. All previous tests and examinations of coals mined in the States bordering the Pacific Ocean indicate that the western coals were not suitable for use in the Navy. In the fall of 1900 arrangements were made with the Director of the Geological Survey to send to the Pacific coast a number of expert mine investigators to make a thorough and exhaustive investigation of every known mine of importance particularly in Washington and British Columbia, the facilities of each mine, quantity and quality of output, etc., so that more definite and reliable data could be obtained. These reports are tabulated and shown in statement marked "B." The inspector visited each mine, personally obtained the information as to the ownership and selling agent from reliable officers of the company or corporation, and mine samples were taken under his personal supervision. The analysis of each mine shown on this statement is the average of a number of samples taken in each mine, and should represent the average quality of the output. The method of taking mine samples is for the inspector to spread a canvas on the floor of the mine and dig a groove about 3 inches wide and 3 inches deep from the bottom to the top of the seam, discarding any partings of bone, shale, or slate, which are supposed to be kept out by the miner. In many of these mines, however, there are numerous partings of various kinds difficult of removal, and as the rate of wages is usually on a per-ton basis the miner does not do as careful work as the sampler, consequently it is fully expected that the coal as shipped would be several per cent higher in ash than the mine samples indicate. The analyses, therefore, on the attached statement, should be considered to represent the highest quality of coal under the most favorable conditions.

2. The statement shows that the British Columbia coals are somewhat better than the State of Washington coals, but neither equal the straight run of mine of Pocahontas or New River coals obtained in the Eastern States. The volatile matter and ash are excessively high and the fixed carbon and heating values excessively low.

3. It is often contended by western interests that foreign coals, such as British Columbia, Australian, Japanese, etc., should be used by naval vessels on the Pacific; but irrespective of the fact as shown by these mine reports that British Columbia coals—mined in foreign territory—are materially below the standard required, section 3728, Revised Statutes, requires the department to give preference, all other things including price and quality being equal, to articles of the growth, production, and manufacture of the United States, and it does so in using American coals, particularly where they are not only more efficient than British Columbia coals, but also when they can be laid down on the western coast at exceedingly reasonable rates.

4. In the hope that some Pacific coast coal may be found which will avoid the necessity of shipping eastern coals to coal depots in the Pacific, the department has arranged for an exhaustive test under actual steaming conditions of a number of the State of Washington coals, and for this purpose has designated one of the large armored cruisers of the Pacific Fleet—the U. S. S. *Maryland*—to make the tests. That vessel will use the Pacific coast coals, and at the same time the U. S. S. *West Virginia* will use the eastern coals in order that a direct comparison as to the relative value of the two coals can be obtained. The tests are now being conducted and the following coals were first selected:

Eight hundred tons "Black diamond," purchased from the Pacific Coast Coal Co., at \$4.15 per ton.

Eight hundred tons of "Roslyn," purchased from the Roslyn Fuel Co., at \$5.40 per ton.

Eight hundred tons "Occidental," purchased from the Roslyn Fuel Co., at \$4.25 per ton.

In addition to the foregoing, orders have just been issued for the purchase of the following:

One thousand tons of "Black diamond" or "South Prairie" from the Pacific Coast Coal Co., and 1,000 tons of "Wilkeson" coal from the Wilkeson Coal Co.

This coal is to be delivered to the *Maryland* after the first three coals have been consumed, which will probably be toward the middle of January, 1911. It is expected that the tests on this vessel can be continued on all other known coals mined in the State of Washington.

5. An expert of the Bureau of Mines, formerly the Technologic Branch of the Geological Survey, has been granted permission to be present on the *Maryland* when the first tests are conducted, with a view to investigating fully the question of the combustion of gases and other data as to the point where slag commences to form, the cause of its formation, etc. This information will be of material benefit to the department as well as to the Bureau of Mines. It is the intention to make these tests as fully and exhaustively and as fairly as the facilities of the department permit, so that reliable information can be obtained, and to determine, by actual use if the Pacific coast coals are suitable for the purposes of the Navy.

Alaska coals.—1. The preliminary investigations of the Bureau of Mines of coals mined in certain fields in Alaska, as judged by samples taken from outcroppings, indicate that high-grade coals will at some date in the future be available, apparently suitable for use in men of war, and within comparatively easy reach of the coast. The reports of the director show that the seams of some of the mines in the Controller Bay region, for example, are as thick as 33 feet, and samples of the coal show it to be low in ash and sulphur and high in heating value, the samples from some seams averaging as high as 15,574 British thermal units per pound, as compared with 14,800 British thermal units per pound for eastern coals. It would be exceedingly desirable from not only an economical but particularly a military point of view, if a permanent source of high-grade coal could be obtained in the region bordering the Pacific coast; but the mining, so far, in Alaska has not yet been developed, and it will require actual steaming tests to determine whether these coals would be suitable. It is hoped that with the opening of the mines and the delivery of coal to tidewater that some Alaska coal can be obtained suitable for our use. This will avoid the necessity of making any shipments in chartered bottoms to the Pacific coast, and will be of material benefit to the Navy Department to have a source of supply near at hand.

T. J. COWIE.

APPENDIX IV.

THE STAKE OF THE BUSINESS MAN IN CONSERVATION.

[Address at the Second National Conservation Congress, St. Paul, Sept. 5-9, 1910. By Alfred L. Baker.]

Here in this second conservation congress, where are assembled specialists who have given profound study to the different phases of the conservation of our resources, where are met together scientists in agriculture, forestry, mineralogy, and waterways, it is not intended that the remarks of a business man should stumble into the field of the expert. It is, however, appropriate that he should voice his approving earnest-

ness and vigorous enthusiasm in behalf of the conservation movement and voice them to those national benefactors who are holding their shoulders to the wheel of progress.

As a delegate to this congress, representing the business man and with knowledge of his views, I wish to state with all the emphasis of which I am capable that the business men in this country are heart and soul in favor of conservation. Owing to the infirmities of human nature a few may faint by the wayside, but the great body and mass can always be depended upon to faithfully and loyally support the movement. By so doing they are promoting the proper development of those resources which are not only the foundation of our national prosperity but also the foundation of their own individual success.

The most conspicuous quality in the character of the successful business man is foresight—and he, more than any other member of the community, must realize the necessity of foresight in the management of our national affairs. He himself would never permit the waste or plunder of his own personal resources, and whilst enjoying their daily possession would always take thought for the morrow. The Nation in its control of our resources should reflect the same character and intelligence which the individual shows in the management of his own private affairs.

BUSINESS MEN FAVOR CONSERVATION.

The great body of business men favor the well-known policies of conservation. They recognize that those resources which are of a public character should be held in trust by the Nation for the benefit of the people, and that those of a private nature should be so disposed of that they will be enjoyed by the greatest number for the longest time.

They believe in the Government control of water power with the cooperation of the States and in the application of a scientific forestry, which will eliminate waste; also in a fire patrol, at whatever cost, which will prevent destruction of our forests and of human life. They believe in better methods of farming and in the improvement of country life, so that the bright boy on the farm shall no longer respond to the call of the great city, but find immediately about him equal opportunities for fame and fortune. They believe in the continued distribution of information on a large scale, that will educate the people and advance their knowledge of conservation, for it is widespread education more than any other one thing which is needed to advance this great national movement. And, finally, they believe in the conservation of public integrity, which is the basal foundation of our national life, on which all else depends.

I am not one of those who believe that the conservation movement should be confined solely to the technical treatment of the forest and soil and the prevention of material waste.

The second article in the first conservation congress provides that "the objects of this congress shall be broad, to act as a clearing house for all allied social forces of our time, to seek to overcome waste in natural, human, or moral forces."

We are told that the Constitution of the United States was the unexpected outcome of a conference convened for the sole purpose of investigating our waterways. The charge of irrelevancy might well have been brought to bear upon the discussions which ensued relating to a standing army and the powers of the Federal Government, but in all national movements the importance rests not with their origin but with the extent of their usefulness.

CONSERVATION AND GOOD CITIZENSHIP.

However restricted at the outset, conservation has grown into a larger and more comprehensive movement, and its principles include the conservation of ideals that make for good citizenship. It is in relation to this larger view that I wish to emphasize the importance of the American business man and his influence upon our national progress.

In the lifetime of many now living the land in this great State of Minnesota was divided between two Indian tribes—the Sioux and the Chippewa. These tribes were uncivilized. Intelligence had not arrived at the stage which produces diversified industry, commerce, and the merchant. The influence of these forces marks the difference between the land of the Sioux and the State of Minnesota to-day.

The early pioneers who first settled on the Atlantic coast and then continued their journey across the continent were all business men, but they were not capitalists. From the Eastern States they sought in Europe capital to build up the industries of their location, and by the use of this capital and labor rendered the East prosperous; and when these sturdy pioneers opened up the wealth of resources in the West they in turn drew upon the East for capital, and by paying for its use and uniting labor with it developed this great country. The descendants of these pioneer business men are the representative business men of to-day. They are not in an economic sense capitalists. Whilst the capitalist may be a business man, the vast majority of business men are not capitalists. The business man is one who obtains capital from one source and labor from another source, and unites them in an anticipated prosperous undertaking.

The material prosperity of the United States is due to our natural resources and the genius of the business man united with the capital of the few and the toil of the millions; but the creative genius, the organizing ability, the spirit which animates the partnership, is the contribution of the business man—by his brains, energy, force of character, and toil he has created here in the United States a commercial system of enterprise and a degree of business prosperity unparalleled in history.

RESPONSIBILITY FOR EVILS.

If we give the credit of this achievement to the business man he should also bear the responsibility of the evils which have been engendered. The gravest evils which have developed out of our commercial prosperity are the uncontrolled power of great wealth, the growth of monopolies, and their sinister influence upon our political institutions.

Industrial efficiency may justify the union of many smaller corporations into one big one, but if it leads to industrial despotism this efficiency is obtained at the sacrifice of industrial freedom. No one nowadays, on the ground of efficiency, believes in a political despotism. Surely it is equally difficult to believe that any degree of efficiency could justify industrial despotism.

As early as 1888 so conservative a man as Grover Cleveland expressed himself as follows: "Communism of combined wealth and capital, the outgrowth of overweening cupidity and selfishness, which assiduously undermines the justice and integrity of free institutions, is not less dangerous than the communism of oppressed poverty and toil which, exasperated by injustice and discontent, attacks with wild disorder the citadel of misrule."

So far as communism of capital is concerned, did not Cleveland's graphic statement adumbrate the conditions as they exist to-day? Since that time how tremendous has been the growth in the combinations of capital and industry. But of more importance than the size of the

corporations and the combinations of capital is the activity in our political arena of the agents and members of these corporations. They are not there to advocate measures for the welfare of the community, but to obtain for themselves special privileges, to gain some advantage in disregard of the public welfare and merely for private gain. These conditions are precipitating an economic and political crisis, in which the issues are not to be between the two great political parties, but between ranks which are being formed to give battle on these new issues regardless of party lines.

To my mind great encouragement lies in the fact that there is rapidly developing a segregation in the ranks of business men. Already many of them, freed from a false sense of class loyalty, or a fear of injury to business, are unwilling to assist by their public support or private esteem that man, however successful or powerful he may be, who by himself or by his agents practices methods which are unfair and opposed to the common good. They no longer respect the citizen who in any way indicates a reluctance to take part in the crusade against bribery and graft, and they condemn the one who by silence hopes to conceal his public attitude when public sentiment seeks to fasten responsibility where responsibility belongs. This sort of man must come out into the open and declare himself—he must be either with us or against us.

THE DUTY OF THE BUSINESS MAN.

Even though the advocacy for the control of industrial combinations and the enactment of measures for their regulation temporarily affect business interests they should not for this reason excite the opposition of the mercantile world. Those business men who have become convinced of the wisdom of regulation should be willing to follow the example of the intelligent patient who goes through with a necessary operation that in the end he may obtain permanent health and strength.

During the last five years there is apparent among business men a larger recognition of their obligations to the community, and there is noticeable among the directors of many of our corporations a stricter sense of trusteeship. An antitoxin to corruption has entered the veins of the business world. The phagocytes of health are overcoming the macrophages of decay. This is not a sudden revival, a temporary wave of reform, but a gradual evolution of the moral sense, a permanent advance in the idea of social justice. This moral awakening may show itself politically in an effort toward municipal reform, in legislative and municipal voters' leagues, in a determined resistance to monopoly, or for a larger control and a larger share in the profits of public-franchise corporations. But in whatever form it seeks its expression, it is the manifestation of an actively constructive principle, which will soon become so effective that the merchant and the man of affairs will overlook the near and personal view which appears on the stock ticker and take the larger view, the view that ultimately provides for the greatest good of the greatest number. This awakened sense of social justice is the new and deeper significance of the conservation movement.

Two years ago the conference of the governors adopted a declaration of principles which the President said should hang on the wall of every schoolhouse for the education of every citizen who is to become a voter in the next generation.

THE NEW PATRIOTISM.

Conservation has become the watchword of the hour; the widespread use of the word has given to it a meaning undreamed of in the beginning. In the form of an intelligent energy it has applied itself to all the concerns of life, from the conservation of the soil and the forest to the conservation of birds, of child life, and of health. It enters into our daily life, awakens into an active moral force a renaissance of the old-fashioned virtues, prudence, thrift, and foresight, and gives to them a larger and a national meaning.

Conservation is the intimate and individual message to our day and generation. It marks the advent of a new patriotism, wherein love of humanity becomes an integral part of love of country and where the conservation of our "rocks and rills," our "woods and templed hills" is not more sacred a trust than the conservation of those ideals and principles through which we hope to attain our ultimate national purpose—a government of enlightened people, enjoying equal opportunities, sharing equal burdens, and rejoicing in the freedom of an industrial and political democracy.

THE VICE PRESIDENT. What disposition does the Senator from Wisconsin ask to have made of the resolution?

MR. LA FOLLETTE. I ask that it may lie on the table.

THE VICE PRESIDENT. Without objection, the resolution will lie on the table.

MR. NEWLANDS. Mr. President, I wish to say a few words before the resolution is disposed of.

MR. CULLOM. Can not the Senator from Nevada wait until we have had a brief executive session? It is very important for several reasons that we should have one.

MR. NEWLANDS. I will take only about five minutes.

MR. CULLOM. I will yield for five minutes, Mr. President.

MR. NEWLANDS. In the speech which I made the other day, and which has not been published as yet, regarding our misfit land laws, I should like to publish in the Record certain extracts from the Record and from public documents. I ask the permission of the Senate that that be done.

THE VICE PRESIDENT. Without objection, permission is granted.

MR. NEWLANDS. Mr. President, I am in sympathy with the general purpose of the Senator from Wisconsin, which is to secure the full development of the natural resources of Alaska in the earliest practicable way, with equal opportunity to all and with entire freedom from the control of monopoly or from oppressive charges of transportation. I wish simply to make a suggestion in connection with his remarks, and that is that sentiment is not yet ripe for Government construction and ownership. I imagine the Senator does not contemplate any immediate action upon this matter, but it seems to me that a step can be taken.

MR. LA FOLLETTE. If the Senator will pardon me—

MR. NEWLANDS. Certainly.

Mr. LA FOLLETTE. I wish to disabuse his mind. It is my purpose at the beginning of the next session to present here a bill providing for the Government acquiring control by condemnation proceedings of the railroads already constructed in Alaska and for the building of such roads as may be needed; and I propose to offer at the same time a bill covering the matter discussed with respect to the mineral laws of that Territory, and to press those measures for consideration.

Mr. NEWLANDS. I have no doubt the Senator will pursue this matter with his usual vigor. When I spoke of immediate action, I meant action at the present session.

Mr. LA FOLLETTE. Oh, no, Mr. President.

Mr. NEWLANDS. I assume he has presented the subject simply in the form of a resolution—

Mr. LA FOLLETTE. To invite discussion.

Mr. NEWLANDS. Inviting discussion and obtaining the sense of the Senate. I suggest that a practical step in this direction could be taken in this way by striking out all after the recital, the whereas, and inserting the following:

Resolved, That it is the sense of the Senate that the President should appoint a board of three engineers of the United States Army to ascertain what transportation facilities, including railway lines, harbors, docks, wharves, and terminals, are reasonably necessary to meet the present needs for the development of the natural resources of Alaska, and to ascertain the cost of such transportation facilities and the best method of securing the same, whether by national construction and ownership or by private enterprise, under such privileges as will secure the necessary capital and under such restrictions as will insure equal opportunity and prevent unreasonable charges.

Mr. President, we had a similar question up with reference to the Philippines and the construction of railways there. I advocated construction and ownership of the railway lines by the Philippine government in preference to authorizing Government guaranty of the bonds to be issued by private corporations for the construction of such lines. Congress, however, did not take that line of action, but, in place of it, engineers selected by the Philippine Commission made a most thorough investigation of the transportation requirements of those islands. They had the plans and the estimates made covering all the requirements for transportation, and then submitted these enterprises to competitive bids of rival concerns. The result was, as I understand it, that those railroads were constructed at reasonable cost and under restrictions which protected the people of those islands from monopoly, and secured to them equality of opportunity, equality of service, and reasonable charges.

Now, if we can not get the one, we ought to get the other, and to get either it is absolutely necessary to have the preliminary work of investigation and research made by a competent board of engineers. The Congress of the United States has confidence in the Corps of Engineers of the United States Army. If the President could now appoint a board of three or five engineers, such as he appointed with reference to the Reclamation Service two years ago, I have no doubt by the coming winter a report would come back to us with a plan of transportation—something approximating an estimate of the cost and with valuable suggestions as to the prosecution of this great work. This suggestion would involve the immediate ascertainment of the facts that are necessary, so that Congress at its next session could enter upon the work of legislation with intelligence.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 13002) to authorize the Secretary of the Interior to withdraw from the Treasury of the United States the funds of the Kiowa, Comanche, and Apache Indians, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED.

H. R. 13002. An act to authorize the Secretary of the Interior to withdraw from the Treasury of the United States the funds of the Kiowa, Comanche, and Apache Indians, and for other purposes, was read twice by its title, and, on motion of Mr. OWEN, referred to the Committee on Indian Affairs.

EXECUTIVE SESSION.

Mr. CULLOM. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 40 minutes spent in executive session the doors were reopened.

TREATIES WITH GREAT BRITAIN AND FRANCE.

During the consideration of executive business, on motion of Mr. LODGE, the injunction of secrecy was removed from the views of a minority of the Committee on Foreign Relations upon the general arbitration treaties with Great Britain and

France, together with the substitute resolution of ratification proposed by Mr. ROOR and the amendment thereto proposed by Mr. BACON.

On motion of Mr. LODGE, after the doors were reopened, it was—

Ordered, That Senate document No. 98 Sixty-second Congress, first session, entitled "Report of the Committee on Foreign Relations upon the General Arbitration Treaties with Great Britain and France," signed on August 3, 1911, and the proposed committee amendment be reprinted, together with the views of a minority of the committee, the substitute resolution of ratification proposed by Mr. ROOR, and the amendment proposed by Mr. BACON thereto.

Ordered, That 20,000 additional copies of the papers referred to in the foregoing order be printed for the use of the Senate.

WRECKS OF SPANISH VESSELS.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying paper, referred to the Committee on Foreign Relations and ordered to be printed (S. Doc. No. 106):

To the Senate and House of Representatives:

I transmit herewith a report by the Acting Secretary of State concerning the ownership of the wrecks of the Spanish vessels which were destroyed by the American fleet off Santiago de Cuba.

It appears that a Norwegian company has applied to the Cuban Government for permission to raise these wrecks and that before considering the proposition the Cuban Government desires to receive the views of the United States in regard thereto.

The Navy Department has no objection to the proposed salvage operations, but the Department of State holds the view that these wrecks are public property of the United States, which may be alienated only by an act of Congress or by a convention having the force of law.

The matter is therefore submitted to the Congress in accordance with the recommendation of the Acting Secretary of State, with a view to its considering whether the President shall be authorized to relinquish to Cuba all right and claim of right of the United States to these wrecks.

WM. H. TAFT.

THE WHITE HOUSE, August 21, 1911.

WRECK OF BATTLESHIP MAINE.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Appropriations and ordered to be printed (S. Doc. No. 107):

To the Senate and House of Representatives:

On July 26, 1911, there was transmitted to the Congress by my direction a report by the Acting Chief of Engineers, inclosing a report of the board charged "with the work of raising or removal of the wreck of the battleship *Maine* in Habana Harbor." Since that date the Secretary of War, at my request, has visited Habana Harbor and personally inspected the wreck, and has reported to me the result of his inspection and conference with the said board of engineers in charge in Habana. I transmit herewith his report, with the accompanying documents.

I concur fully in the conclusions which the Secretary of War has reached and in the recommendations which he makes in respect of an additional appropriation for this work in order that nothing may remain undone to enable the world to know the original cause of the explosion of the *Maine*. Of course if it shall turn out that the most thorough excavation will not disclose the cause we must be content, but as long as there remains unexcavated any portion of the mud and debris within the wreck or its neighborhood from which evidence may be had of the original cause of the disaster, we shall be derelict in our duty in not prosecuting a further search. The issue is not now whether we ought originally to have begun this investigation, but it is whether, having expended a very large part of the necessary amount to do the full work, we ought to break it off for lack of a comparatively small additional appropriation.

I earnestly hope that Congress will take immediate action in this regard, as recommended by the Secretary of War.

WM. H. TAFT.

THE WHITE HOUSE, August 21, 1911.

Memorandum.—Papers accompanied similar message to the House of Representatives.

REGULATION OF WATERS OF NIAGARA RIVER.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was

read and referred to the Committee on Commerce and ordered to be printed (S. Doc. No. 105):

To the Senate and House of Representatives:

The act of Congress approved June 29, 1906, "for the control and regulation of the waters of Niagara River, for the preservation of Niagara Falls, and for other purposes," committed certain duties to the Secretary of War which required extensive scientific investigations in order to obtain the information essential to intelligent action. In accordance with a recommendation of the Secretary of War contained in a letter to me of the 19th instant, I am transmitting herewith, for the information of Congress, reports of those investigations, made by the officer in charge of the survey of the northern and northwestern lakes, dated November 30, 1908, and September 21, 1909, which, as explained in the letter of the Secretary of War, also transmitted herewith, have hitherto been retained for the assistance of the executive branch of the Government.

A final report of the proceedings of the War Department in connection with the act referred to will be included in the forthcoming annual report.

WM. H. TAFT.

THE WHITE HOUSE, August 21, 1911.

NOTE.—Papers accompanied similar message to the House of Representatives.

FUNDS OF THE KIOWA, COMANCHE, AND APACHE INDIANS.

Mr. CLAPP. On behalf of the Committee on Indian Affairs, I report favorably the bill (H. R. 13002) to authorize the Secretary of the Interior to withdraw from the Treasury of the United States the funds of the Kiowa, Comanche, and Apache Indians, and for other purposes. The committee recommend certain amendments, which are indicated in some cases by interlineations and in others by additional matter, proposed to be inserted at the end of the bill. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill, and, there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The first amendment reported by the Committee on Indian Affairs was, on page 1, line 4, after the word "authorized," to insert "in his discretion"; and, line 7, after the word "Indians," to insert "not to exceed \$400,000," so as to read:

That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to withdraw from the Treasury of the United States so much of the trust funds of the Kiowa, Comanche, and Apache Tribes of Indians in Oklahoma as he may deem necessary for expenditure for the benefit of such Indians not to exceed \$400,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert:

That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to make a per capita payment to the enrolled members of the Five Civilized Tribes entitled under existing law to share in the funds of said tribes, or to their lawful heirs, out of any moneys belonging to said tribes in the United States Treasury, or deposited in any bank, or held by any official under the jurisdiction of the Secretary of the Interior, said payment not to exceed \$50 per capita and to be made under such regulations as he may prescribe. The parent or person in charge of any minor shall be recognized as guardian for the purpose of this per capita without probate proceedings.

The amendment was agreed to.

The next amendment was, on page 2, after the amendment just adopted, to insert:

That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to the Secretary of the Interior, for the use of the Kickapoo Indian community in Mexico, out of any funds not otherwise appropriated, the sum of \$5,000, the same to be immediately available and to be reimbursable out of any amount hereafter found due to the said community for moneys expended in aid of the Government's prosecution of persons for frauds against members of said community and in defense of the title to the lands involved in said frauds or from funds derived from the sale of their lands: *Provided*, That all lands, inherited or otherwise, heretofore allotted to Kickapoo Indians in Oklahoma whose present Indian owners are or may hereafter become non-resident in the United States may, until further act of Congress, be leased or sold under the supervision of the Interior Department and not otherwise.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RECESS.

Mr. SMOOT. I move that the Senate take a recess until 5.30 o'clock p. m.

The motion was agreed to, and (at 3 o'clock and 3 minutes p. m.) the Senate took a recess until 5 o'clock and 30 minutes p. m.

The Senate reassembled at the expiration of the recess at 5.30 p. m.

ENROLLED BILL SIGNED.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 13367) to amend the act entitled "An act making appropriation for sundry civil expenses of the Government for the fiscal year ending June 30, 1909, and for other purposes," approved May 27, 1908, and it was thereupon signed by the Vice President.

RECESS.

Mr. SMOOT. I move that the Senate stand in recess until 6.30 p. m.

The motion was agreed to, and the Senate at the expiration of the recess (at 6.30 p. m.) reassembled.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 12812) to reduce the duties on manufactures of cotton.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 12812) to reduce the duties on manufactures of cotton, and it was thereupon signed by the Vice President.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened and (at 6 o'clock and 36 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 22, 1911, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate August 21, 1911.

MINISTER.

James T. DuBois, of Pennsylvania, now consul general at Singapore, to be envoy extraordinary and minister plenipotentiary of the United States of America to Colombia; vice Eliott Northcott, appointed envoy extraordinary and minister plenipotentiary to Nicaragua.

CONSUL GENERAL.

Thomas P. Moffat, of New York, formerly consul at Managua, to be consul general of the United States of America at Singapore, Straits Settlements, vice James T. DuBois, nominated to be envoy extraordinary and minister plenipotentiary to Colombia.

REGISTER OF THE LAND OFFICE.

William E. Chaplin, of Wyoming, to be register of the land office at Cheyenne, Wyo., his term having expired February 25, 1911. (Reappointment.)

RECEIVER OF PUBLIC MONEYS.

William C. Deming, of Wyoming, to be receiver of public moneys at Cheyenne, Wyo., his term having expired February 25, 1911. (Reappointment.)

COLLECTOR OF CUSTOMS.

John Biddle, of North Carolina, to be collector of customs for the district of Pamlico, in the State of North Carolina, in place of Daniel W. Patrick, whose term of office expired by limitation on February 28, 1911.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Second Lieut. Clarence K. Lyman, Fourth Cavalry, to be first lieutenant from August 19, 1911, vice First Lieut. Robert McC. Beck, jr., Twelfth Cavalry, detached from his proper command under the provisions of an act of Congress approved March 3, 1911.

COAST ARTILLERY CORPS.

First Lieut. Clifford Jones, Coast Artillery Corps, to be captain from August 20, 1911, vice Captain Frank T. Thornton, who died August 19, 1911.

APPOINTMENTS IN THE ARMY.

FIELD ARTILLERY ARM.

Vincent Paul Erwin to be second lieutenant of Field Artillery, with rank from August 19, 1911.

COAST ARTILLERY CORPS.

Felix Englebert Gross to be second lieutenant in the Coast Artillery Corps, with rank from August 11, 1911.

William Thomas Boyd, jr., to be second lieutenant in the Coast Artillery Corps, with rank from August 12, 1911.

Lawrence Albert McLaughlin to be second lieutenant in the Coast Artillery Corps, with rank from August 13, 1911.

George Ralph Meyer to be second lieutenant in the Coast Artillery Corps, with rank from August 14, 1911.

Homer Adolph Bagg to be second lieutenant in the Coast Artillery Corps, with rank from August 15, 1911.

Andrew Lewis Pendleton, jr., to be second lieutenant in the Coast Artillery Corps, with rank from August 16, 1911.

Lewis Hyde Brereton to be second lieutenant in the Coast Artillery Corps, with rank from August 17, 1911.

Cherubusco Newton, jr., to be second lieutenant in the Coast Artillery Corps, with rank from August 18, 1911.

FIELD ARTILLERY ARM.

To be second lieutenants with rank from July 20, 1911.

Corpl. Thomas G. M. Oliphant, Battery E, Sixth Field Artillery.

Sergt. Mert Proctor, Battery A, Fourth Field Artillery.

Pvt. William J. Wrona, Battery B, Third Field Artillery.

INFANTRY ARM.

Corpl. Joseph D. Patch, Company D, Ninth Infantry.

Sergt. Archibald D. Cowley, Company M, Twenty-eighth Infantry.

Sergt. Patrick Frissell, Company F, Seventeenth Infantry.

CAVALRY ARM.

Second Lieut. George Howard Brett, Philippine Scouts, to be second lieutenant of cavalry, with rank from August 10, 1911.

PROMOTIONS IN THE NAVY.

Commander John M. Ellicott to be a captain in the Navy from the 1st day of July, 1911, to fill a vacancy.

Commander Roger Welles to be a captain in the Navy from the 3d day of August, 1911, to fill a vacancy.

Lieut. Commander Frederick L. Sawyer to be a commander in the Navy from the 13th day of July, 1911, to fill a vacancy.

Lieut. Commander Charles L. Hussey to be a commander in the Navy from the 3d day of August, 1911, to fill a vacancy.

Lieut. Samuel W. Bryant to be a lieutenant commander in the Navy from the 1st day of July, 1911, to fill a vacancy.

Lieut. Arthur B. Keating to be a lieutenant commander in the Navy from the 3d day of August, 1911, to fill a vacancy.

Lieut. (Junior Grade) William Baggaley to be a lieutenant in the Navy from the 18th day of February, 1911, to fill a vacancy.

Lieut. (Junior Grade) John H. Towers to be a lieutenant in the Navy from the 1st day of July, 1911, to fill a vacancy.

POSTMASTERS.

ILLINOIS.

Lee Capps to be postmaster at Pittsfield, Ill., in place of Jacob W. Stauffer. Incumbent's commission expired May 31, 1910.

John Culbertson to be postmaster at Sumner, Ill., in place of John Culbertson. Incumbent's commission expired February 28, 1911.

James F. M. Greene to be postmaster at Hillsboro, Ill., in place of James F. M. Greene. Incumbent's commission expired June 22, 1910.

William A. Hardy to be postmaster at Springvalley, Ill., in place of William A. Hardy. Incumbent's commission expired January 28, 1911.

Charles H. James to be postmaster at Meredosia, Ill. Office became presidential October 1, 1910.

William E. Ludlow to be postmaster at Griggsville, Ill., in place of William E. Ludlow. Incumbent's commission expired May 31, 1910.

Carson T. Metcalf to be postmaster at Greenfield, Ill., in place of Carson T. Metcalf. Incumbent's commission expired January 30, 1911.

Karl Miller to be postmaster at Winchester, Ill., in place of Karl Miller. Incumbent's commission expired March 2, 1911.

Joseph H. Pierson to be postmaster at Carrollton, Ill., in place of Joseph H. Pierson. Incumbent's commission expired April 3, 1910.

Bruck Reinbach to be postmaster at Waverly, Ill., in place of Bruck Reinbach. Incumbent's commission expired March 2, 1911.

Theodore G. Risley to be postmaster at Mount Carmel, Ill., in place of Daniel E. Keen. Incumbent's commission expired June 28, 1910.

George C. Roberts to be postmaster at Greenview, Ill., in place of George C. Roberts. Incumbent's commission expired January 28, 1911.

M. B. Ross to be postmaster at White Hall, Ill., in place of Robert C. Boehm. Incumbent's commission expired January 23, 1911.

William M. Swingle to be postmaster at Athens, Ill., in place of William M. Swingle. Incumbent's commission expired December 16, 1909.

MASSACHUSETTS.

George S. March to be postmaster at Hingham, Mass., in place of George Cushing. Incumbent's commission expired December 20, 1904.

James G. Moran to be postmaster at Mansfield, Mass., in place of James O. Hodges. Incumbent's commission expired January 7, 1911.

OHIO.

John A. Anderson to be postmaster at St. Marys, Ohio, in place of John A. Anderson. Incumbent's commission expired March 8, 1908.

VIRGINIA.

Ivan V. Yonce to be postmaster at Salem, Va., in place of Wingfield Griffin. Incumbent's commission expired April 19, 1910.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 21, 1911.

MINISTER.

James T. DuBois to be envoy extraordinary and minister plenipotentiary at Colombia.

CONSUL GENERAL.

Thomas P. Moffat to be consul general at Singapore, Straits Settlements.

REGISTER OF THE LAND OFFICE.

William E. Chaplin to be register of the land office at Cheyenne, Wyo.

RECEIVER OF PUBLIC MONEYS.

William C. Deming to be receiver of public moneys at Cheyenne, Wyo.

COLLECTOR OF CUSTOMS.

John Biddle, of North Carolina, to be collector of customs for the district of Pamlico, N. C.

PROMOTION IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Hugh L. Scott to be colonel.

APPOINTMENTS IN THE ARMY.

FIELD ARTILLERY ARM.

To be second lieutenants.

Corpl. Thomas G. M. Oliphant.

Sergt. Mert Proctor.

Pvt. William J. Wrona.

Vincent Paul Erwin.

INFANTRY ARM.

Corpl. Joseph D. Patch.

Sergt. Archibald D. Cowley.

Sergt. Patrick Frissell.

CAVALRY ARM.

Second Lieut. George Howard Brett, Philippine Scouts.

COAST ARTILLERY CORPS.

Felix Englebert Gross.

William Thomas Boyd, jr.

Lawrence Albert McLaughlin.

George Ralph Meyer.

Homer Adolph Bagg.

Andrew Lewis Pendleton, jr.

Lewis Hyde Brereton.

Cherubusco Newton, jr.

PROMOTIONS IN THE NAVY.

Commander John M. Ellicott to be a captain.

Lieut. Commander Frederick L. Sawyer to be a commander.

Commander Roger Welles to be a captain.

Lieut. Commander Charles L. Hussey to be a commander.

Lieut. Samuel W. Bryant to be a lieutenant commander.

Lieut. Arthur B. Keating to be a lieutenant commander.

Lieut. (Junior Grade) William Baggaley to be a lieutenant.

Lieut. (Junior Grade) John H. Towers to be a lieutenant.

POSTMASTERS.

ARKANSAS.

James H. Elkins, Blytheville.

GEORGIA.

William Fleming, Athens.

ILLINOIS.

Lee Capps, Pittsfield.

John Culbertson, Sumner.

James P. M. Greene, Hillsboro.

William E. Ludlow, Griggsville.

Charles H. James, Meredosia.

S. M. Kaisinger, Milledgeville.

Carson T. Metcalf, Greenfield.

Karl Miller, Winchester.

Joseph H. Pierson, Carrollton.

Bruck Reinbach, Waverly.

Theodore G. Risley, Mount Carmel.

George C. Roberts, Greenview.

M. B. Ross, White Hall.

William M. Swingle, Athens.

MASSACHUSETTS.

George S. Marsh, Hingham.

James G. Moran, Mansfield.

John Williamson, Gilbertville.

MISSISSIPPI.

Mary C. Booze, Mound Bayou.

MISSOURI.

F. K. Allen, Craig.

NEW YORK.

Roscoe C. Terpening, Richmondville.

OHIO.

John A. Anderson, St. Marys.

OKLAHOMA.

Bert Campbell, Waukomis.

VIRGINIA.

Susan H. Boswell, Burkeville.

WISCONSIN.

George R. Hall, Oconto.

O. K. Hawley, Baldwin.

Henry G. Kress, Manitowoc.

Albert B. Leyse, Kewaunee.

Egbert Marks, Menominee.

Edward S. Minor, Sturgeon Bay.

Clayton G. Morgan, Oakfield.

Edward Morrissey, Delavan.

Oscar D. Naber, Mayville.

George W. Smith, Amherst.

James D. Strickland, New Lisbon.

Henry H. White, Lake Geneva.

HOUSE OF REPRESENTATIVES.

MONDAY, August 21, 1911.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, Infinite and Eternal Spirit, Father of all souls, for our Republic, the genius of which contemplates for each and every citizen the right to think his own thoughts, to worship Thee according to the dictates of his own conscience, and to enjoy the fruits of his own industry. Help us to cherish and hold these rights sacred, and with patriotic zeal and fervor guard them against all intrusions. Above all, help us to use them in the spirit of the Christian religion, which teaches us to do unto others as we would be done by. For Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of Saturday was read and approved.

THE RECORD.

Mr. COOPER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER. Is it in order to ask for a correction of the Record of last Friday?

The SPEAKER. It is.

Mr. COOPER. On page 4175, the right-hand column, under the caption, "Bridge across the Petit Jean River, Ark," which was a bill (S. 3253) to authorize the counties of Yell and Conway

in that State, their successors and assigns, to construct, maintain, and operate a steel bridge over the river, I asked a question of the gentleman from Georgia [Mr. ADAMSON], and in the Record this appears to be the question:

Mr. Speaker, before that question is taken, I would like to ask the gentleman from Georgia if the bill contains the usual provision that it is subject to the provision of the act regulating the construction of bridges over navigable streams.

The gentleman from Georgia replied, "Oh, yes; I think so." Now, my question was, "Does it contain the usual provision at a point suitable to the interests of navigation?" I was assured that it did. The bill does not contain that provision which is customary in bills of that kind and which ought to be in every bridge bill conferring rights on successors and assigns. The fault is not with the reporter. He came to me after the debate and inquired what it was that I had asked, saying that he could not hear my question. He had a part of it, but not all. I repeated to him the question, saying "at a point 'appropriate' to the interests of navigation." I said, "'appropriate' is not the right word, but you will find the correct word in the bridge bills heretofore enacted into law." The reporter used the clause which appears in the Record and not the provision to which I referred him.

The SPEAKER. Does the gentleman from Wisconsin want the Record changed?

Mr. COOPER. Yes, sir.

Mr. MANN. Mr. Speaker, the gentleman from Georgia and myself answered the question the other day which the gentleman from Wisconsin asked. Both made the same answer, and the question we answered was the question that is in the Record, not the question which the gentleman now says he asked. The gentleman asked, as I understood at the time, whether this bill provided that it should be subject to the provisions of the general bridge act.

Mr. COOPER. Mr. Speaker, I went to the gentleman from Illinois [Mr. MANN] not four minutes ago and said: "Is it not customary in bridge bills of that kind to say 'at a point suitable to the interests of navigation'?" The gentleman from Illinois said yes, and then explained how he came to make the mistake in his answer—

Mr. MANN. Oh, I beg the gentleman's pardon.

Mr. COOPER. That he had a copy of the Senate bill, and had interlined that clause himself, intending to have it inserted, but had neglected to do so. He changes right here and now.

Mr. MANN. O Mr. Speaker, the gentleman is entirely mistaken.

Mr. COOPER. I am not at all.

Mr. MANN. Well, the gentleman is mistaken. I did not tell the gentleman that that was what I intended to answer him at all. I did say to the gentleman that it was usual to include in the bill the provision that it was suitable to interests of navigation, and that it was possibly my neglect the other day that that provision was not included. That was a pet phrase that I first had inserted in these bills, and I have endeavored to have it inserted ever since. I do not care how the Record shows the gentleman's question, but I do not care to have the Record show that the gentleman asked a question which I answered and answered improperly. I answered the question which I understood the gentleman to ask, and I answered it properly at the time, and so did the gentleman from Georgia [Mr. ADAMSON], both understanding the same question and both giving the same answer, which answer was correct.

Mr. ADAMSON. Mr. Speaker, I have not seen the notes, nor have I seen the Record on the subject, nor has the gentleman from Wisconsin [Mr. COOPER] said anything to me about it. When I called up the bill and moved that the Senate bill be passed, the gentleman asked me some question about it, and I answered him just as I understood his question. So far as the clause which he is talking about is concerned, it has been a notion of the gentleman from Illinois—I will not say an idiosyncrasy, because he would not have a thing like that, for he is too good a man and too smart—but he has always insisted on inserting those words "at a point suitable to navigation," which are absolutely unnecessary, because the general bridge act requires every plan and specification to be submitted to the War Department and approved by it in every particular before a bridge can be built. As to the misunderstanding of the gentleman from Wisconsin [Mr. COOPER], I am no party to it and I do not know anything about it. I answered him as I understood him, and I do not think that I shall consent to have him change the Record to make anybody who is perfectly innocent about it look ridiculous.

Mr. COOPER. Mr. Speaker, a gentleman from Michigan has just come to my side and said, "Mr. COOPER, you asked the